

CONFIDENTIAL

(9748.)

if
PART XXIII.

FURTHER CORRESPONDENCE

RESPECTING THE

AFFAIRS OF PERSIA.

July to September 1910.

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CONFIDENTIAL.

Further Correspondence respecting the Affairs of Persia.

PART XXIII.

[23619]

No. 1.

India Office to Foreign Office.—(Received July 1.)

Sir,

India Office, June 30, 1910.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter dated the 18th June, 1910, enclosing draft of a despatch in which it is proposed to instruct His Majesty's chargé d'affaires at Tehran as to the assurances to be conveyed to the Sheikh of Mohammerah on behalf of His Majesty's Government. Viscount Morley concurs in the view of Secretary Sir E. Grey, that the giving of further assurances should in any case be postponed until the sheikh's case against the Vali of Bussorah has been examined. He is also of opinion that the grant to the sheikh of an honorary K.C.I.E., recommended in the telegram from the Government of India of which copy is herewith enclosed, should stand over for the present for the same reason.

As regards the terms of the draft despatch and of the text of the assurances that might be given to the sheikh Lord Morley desires to offer no observations, except that he understands the "assurance of protection for his private property in Persia" (point 3 in the draft despatch) to be granted subject to the same conditions as the assurance against molestation by foreign Powers, or their "encroachment on his jurisdiction, recognised rights, or property in Persia" (point 4). To make this quite clear the words "subject to the condition in the succeeding paragraph" might be added after the words in the draft despatch: "As regards (3), His Majesty's Government see no objection to granting an assurance of the kind desired."

The first paragraph of the assurances has, it is understood, been already communicated to the sheikh (*vide* Mr. Marling's telegram No. 156, dated the 14th April, 1910, last paragraph but one).

I am, &c.

R. RITCHIE.

Enclosure in No. 1.

Government of India to Viscount Morley.

(Telegraphic.) P.

June 17, 1910.

PROPOSAL to grant Sheikh of Mohammerah a decoration has been revived by resident, Persian Gulf, in a telegram dated the 10th instant. This suggestion has my support, and I recommend that honorary K.C.I.E. should be given him.

[23683]

No. 2.

Imperial Bank of Persia to Foreign Office.—(Received July 1.)

Sir,

25, Abchurch Lane, London, July 1, 1910.

WITH reference to your letter of the 29th ultimo and to the interview General Sir Thomas Gordon had with Mr. Mallet and Mr. Norman last evening on the question of purchasing arms and ammunition for account of the Persian Government, I have the honour to enclose the translation of a telegram the bank proposes to send to the chief manager in Tehran to-day if it meets with your approval.

I have, &c.

G. NEWELL.

Enclosure in No. 2.

Proposed Telegram for communication to Imperial Bank of Persia, Tehran.

OUR telegram 14th June. Foreign Office is informed that Persian Government was previously in communication with Russian Government regarding purchase of rifles and ammunition, and accordingly there is fear of complication should we on account of Persian Government negotiate for purchase in England. Consult legation regarding communicating this to Persian Government.

[23676]

No. 3.

Mr. Marling to Sir Edward Grey.—(Received July 1.)

(No. 270.)

(Telegraphic.) P.

DARAB MIRZA.

Gulahck, July 1, 1910.

In reply to your telegram No. 200 of the 30th June, I have the honour to report that my despatch No. 97, which should reach London on the 2nd July, contains what I believe to be a substantially accurate account of incident. I would point out that the earliest Persian reports agree with the Russian in stating that the Cossacks were fired on first; the statements that Russians were aggressors were merely invented and circulated later by Nationalists to stir up anti-Russian feeling.

M. Poklewski possesses a letter from Persian Government declaring that it was Ahmed Khan, ex-Mirshikar of Mehemed Ali Mirza, a noted reactionary, who killed his relative, Ali Khan.

Please substitute "Chergar" for "Guricher" in my above-mentioned despatch.

[23766]

No. 4.

*Anglo-Persian Oil Company to Foreign Office.—(Received July 2.)*Winchester House, Old Broad Street,
London, July 1, 1910.

Sir,

WITH reference to your letter of the 6th May reporting receipt of a telegram from His Majesty's chargé d'affaires at Tehran, advising that the company's works had been almost completely shut down owing to the behaviour of the Bakhtiari guards, our agents at Mohammerah write as follows:—

"Bakhtiari. We are much surprised at the contents of the Foreign Office letter addressed to you on the 6th ultimo. Up to now we have been unable to trace how the rumoured stoppage of work by the Bakhtiari guards ever came into being. So far as we can ascertain, no servant or representative of the company gave rise to such a report. Had any such thing as a serious stoppage of work occurred you would have been advised at once by cable. Doubtless, the Foreign Office will be able to discover His Majesty's chargé d'affaires' source of information, and if you will let us know we will investigate the matter. The only possible cause of the rumour which we can think of is that some thirty Kurds employed at camp, in the workshop and on the rigs, struck work at the beginning of May owing to their not receiving protection from the

company against the continual punishment and fines inflicted by the Bakhtiari guards. As you are aware, Mr. Reynolds considers that the action of the guards must not be interfered with, and says that the guards must be permitted to recover in fines from the company's employés and others the sum which they have paid to the khans for their positions as guards. Whilst the Kurds were out of camp we understand that the workshop and rig at No. 9 were stopped, but the incident had blown over and the Kurds were back again before we heard of it. In fact, we were never officially advised of the incident at all."

I do not think it is necessary to follow the matter up any further, but should you think it desirable to do so, and you are able to ascertain from His Majesty's chargé d'affaires from what source the above report emanated, I shall be very glad to receive the information.

I have, &c.

C. GREENWAY, *Managing Director.*

[23789]

No. 5.

Mr. Marling to Sir Edward Grey.—(Received July 2.)

(No. 271.)

(Telegraphic.) P.

Gulahck, July 2, 1910.

SITUATION in Urumia is, His Majesty's consul at Tabreez reports, again giving cause for anxiety. Hitherto the outrages committed by the Kurds have been of an isolated character, but they are becoming more general, and there seems reason to apprehend a union of the tribes for the purpose of looting the district.

One of the chief persecutors of the Christians is a certain Tidner Agha, a Turkish subject of Mesgaver resident at Urumia, and His Majesty's consul believes that a material improvement would follow his removal, but the Persians are powerless to act.

[23797]

No. 6.

Mr. Marling to Sir Edward Grey.—(Received July 2.)

(No. 272.)

(Telegraphic.) P.

Gulahck, July 2, 1910.

RUSSIAN troops at Kazvin.

With reference to your telegram No. 199 of the 29th June.

The recent delay in this matter is to some degree the fault of the Persian Government. M. Poklewski intimated before the end of May that he was willing to discuss the question of the withdrawal on certain terms (please see my telegram No. 235 of the 23rd May), but Persian Government, although he has more than once given them an opening, have left his overtures unanswered. When I reminded Sardar Assad of this on the 27th June he admitted it tacitly, and later on the same day he informed M. Poklewski that he would easily be able to settle the first two conditions attached by Russia to the withdrawal, which have already been accepted in principle by the Cabinet.

(Secret.)

It appears, as a matter of fact, that the effect that the withdrawal may produce is causing some anxiety to one or two of the Persian Ministers as it did a month ago to Nasr-ul-Mulk himself. None of them, however, dare avow it openly.

[23798]

No. 7.

Mr. Marling to Sir Edward Grey.—(Received July 2.)

(No. 273.)

(Telegraphic.) P.

Gulahck, July 2, 1910.

LAST Monday a post-cart carrying European mail was held up two stages west of Kazvin, on the Tehran-Resht road, by armed brigands. It is believed that brigands intended to seize a silver caravan belonging to the Imperial Bank of Persia, which, however, although delayed, got through safely.

[23501]

No. 8.

Sir Edward Grey to Mr. Marling.

(No. 203.)

(Telegraphic.) P.

PROPOSED joint advance.

The India Office are prepared to approve reduction of interest to 5 per cent., as suggested in your telegram of the 16th ultimo. The Treasury have not as yet given their consent.

With reference to your telegram No. 256 of the 17th June, His Majesty's Government are prepared to support Russian Government's opposition to the free import of silver, and are disposed to agree to the suggestions that the British and Russian representatives in Persia should use their discretion as regards the moment for informing Persian Government that the two Powers are willing to make the advance.

Provided that none of the southern customs receipts are applied to service of the new advance till service of debts to Imperial Bank and of Anglo-Indian loans are fully discharged, and that the accounts (as to payment of interest and repayment of capital) of the old and new advances should be kept separate, we are prepared to agree that whole of customs revenue should, in the event of an application to the two Powers from the Persian Government, be used as security for whole of new advance.

Foreign Office, July 2, 1910.

[22188]

No. 9.

Sir Edward Grey to Mr. Marling.

(No. 204.)

(Telegraphic.) P.

Foreign Office, July 2, 1910.

ON the understanding that Government and bank debts are recognised as prior liens, I agree to the "quasi-fixed" charges on customs revenues being made permanent.

See your telegram No. 258 of the 20th June.

[23501]

No. 10.

Sir Edward Grey to Mr. O'Beirne.

(No. 355.)

(Telegraphic.) P.

Foreign Office, July 2, 1910.

PLEASE inform M. Isvolsky of contents of my telegram No. 203 of to-day to Mr. Marling.

[23799]

No. 11.

Mr. Marling to Sir Edward Grey.—(Received July 3.)

(No. 274.)

(Telegraphic.) P.

Gulahck, July 3, 1910.

PASSPORT fees to Bahrein.

With reference to your telegram No. 202 of the 30th June, His Majesty's consul-general at Bushire reports that the passes issued to Persians who are proceeding to Bahrein are issued by a Persian merchant at Bahrein. This merchant also issues similar passes to Persians returning to Persian ports from Bahrein.

Individual in question has been a cause of trouble both to ourselves and to sheikh, and has urged Persia to reassert her claim to the island in articles that he has written for the vernacular press. I understand that sheikh would welcome his expulsion, and political agent is in favour of it.

I agree in the advisability of this course, and submit that I should be authorised, as soon as action has been taken at Bahrein, to inform the Persian Government verbally, and, if it seems desirable, also in writing later.

5

[23796]

No. 12.

Mr. O'Beirne to Sir Edward Grey.—(Received July 3.)

(No. 195.)

(Telegraphic.) P.

St. Petersburg, July 3, 1910.

JOINT advance to Persia.

Your telegram No. 355 of the 2nd July.

I am addressing to the Russian Government an *aide-mémoire* embodying the views of His Majesty's Government, as expressed to Mr. Marling in your telegram No. 203 of the 2nd July to Tehran.

In view, however, of the *aide-mémoire* communicated by the Russian Government on the 12th February last (see Sir A. Nicolson's despatch No. 85 of the 13th February), it seems very improbable that the proposal to reduce the rate of interest to 5 per cent. will be agreed to by the Minister of Finance.

[23812]

No. 13.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 81.)

Sir,

Tehran, May 26, 1910.

I OBSERVE in your telegram No. 157 of the 19th May that the appeal for the assistance of His Majesty's Legation on behalf of the Alliance Israélite was not made by that society itself, but by the Anglo-Jewish organisation. I am not quite certain on what grounds the former body considers itself entitled to invoke British protection. From its name it would appear to be a French organisation, and in that case the assistance of the French Legation alone could be invoked. But, if my memory serves me right, enquiries set on foot by your department at the request of His Majesty's Ambassador at Constantinople some five or six years ago showed that the Alliance Israélite is registered in London as a trading concern and possessed an office there; it also appeared, however, that the whole business of the company was transacted from Paris, and the natural conclusion was that the sole object of registration in London was to obtain the advantages of the protection of His Majesty's Government abroad. It would now seem, from the fact that the Anglo-Jewish Association has made the application to you, that the London branch of the Alliance no longer exists, and, if this is so, there disappears with it any pretext for claiming the protection of His Majesty's Government abroad.

Even if this is not so, I venture to submit that it is anomalous that the Alliance should receive the support and protection of two Powers. Its members, I understand from the French Minister, are almost exclusively Persian subjects, who have joined the association for the sole object of obtaining the protection which foreign Powers extend to their subjects, and I therefore venture to submit that, inasmuch as to the best of my knowledge the affairs of the Alliance—conducted as they are from Paris—are in no sort of way to the advancement of British interests, the protection thereof should be left to the French Legation, and that, supposing of course that the Alliance still preserves its paper right to British protection, His Majesty's Legation should only take action at the invitation of the French Minister.

The French Minister, I should add, is entirely in agreement with this proposal. I need scarcely say that it is not proposed that the Legation should not give its assistance to British subjects in the employment of the Alliance Israélite, such as Mr. Tarragona at Semeh (see my despatch No. 82 of the 26th May).

I have, &c.

CHARLES M. MARLING.

[23813]

No. 14.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 82.)

Sir,

Tehran, May 16, 1910.

WITH reference to your telegram No. 157 of the 19th instant, respecting a reported attack on Jews at Hamadan, I have the honour to transmit herewith copy of a despatch since received from His Majesty's consul at Kermanshah relative to an attack on a Jew at Semeh.

[1738]

C

It will be seen that Mr. McDouall's information was supplied by the director of the school of the Alliance israélite.

I am instructing Mr. McDouall that, in the circumstances, it will be better that Mr. Tarragano should not fly a flag, as though his house were a consulate, except in a crisis.

I have myself received no information from Hamadan or from His Majesty's consul at Kermanshah of the recent anti-Jewish troubles at the former place, but the French Minister has informed me that his assistance was invoked by the Alliance israélite in connection with them, and that the representations which he made in consequence to the Persian Government have resulted in satisfactory measures being taken for the security of the Hebrews in that town.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 14.

Consul McDouall to Mr. Marling.

(No. 40.)

Sir,

WITH reference to paragraph 12 of my diary of the 4th May, I have the honour to inform you that I have now received an account of the riot at Sennéh from Mr. Tarragano, director of the school of the Alliance israélite and a British subject, from which it appears that the riots had nothing to do with the schools directly. His account is to the following effect:—

On the 30th April a mob dragged a wealthy Jew named Daoud Koulouri into a mosque and threatened to murder him unless he became a Mahomedan, on the grounds that he had had intercourse with a Mahomedan woman. His relatives and others state that this accusation was false, and was invented by a Jewish convert to Mahomedanism named Faradj Jedid, who had a quarrel with him. After being twice wounded, he agreed to become a Mahomedan, but the Mollahs refused to accept him. The fanatics then dragged him into the court-yard and dispatched him with daggers, and rolled the corpse through the streets to his house in the Jewish quarter near that of Mr. Tarragano. No one had informed Mr. Tarragano of what was going on, or he would have addressed the local authorities, with whom he has cordial relations. A crowd of at least 3,000 persons, the dregs of the town, rushed the victim's house, and began carrying off velvets, silks, and furniture. The relatives fled by the terraces; the women, braving the stones and insults of the mob, entreated and held up holy books with no result. Nothing stopped them till forty soldiers who had been sent for arrived. At the request of the Jews the authorities sent fifty soldiers, who guard the quarter night and day.

On the following day there was nearly a riot between the Mollahs and the soldiers, but was prevented by the authorities.

On the 5th, when Mr. Tarragano wrote, the town was in its normal state, and commissions had been formed to recover the goods plundered, which are valued at about 30,000 tomans, and return them to their owners.

Mr. Tarragano adds that he was afraid to hoist the British flag, which I had told him to do in the event of disturbances (*vide* my No. 49, dated the 12th December last), as he feared that it would excite the mob more. He asks whether he could fly the flag every Sunday, that the people should become accustomed to it and know that he was a British subject.

As the only consulate at Sennéh, that of Turkey, only flies the flag once a week, if Mr. Tarragano did so it would appear as if he, too, were a consul, and I doubt the necessity of it. When Kermanshah was looted the British flag was hoisted on the houses of British subjects and was respected by the mob, but I have no knowledge of Sennéh, where the people are less civilised.

I have, &c.

W. McDOUALL.

[23814]

No. 15.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 83.)

Sir,

Tehran, May 28, 1910.

WITH reference to my telegram No. 203 of the 1st May, I have the honour to report that the Mushir-ed-Dowleh resigned the Ministry of Justice on the 21st instant, and the Sardar Mansur was appointed to succeed him. In view of the fact, however, that the presence of the former in the Cabinet was regarded as essential by the Prime Minister, he has been appointed Minister of Commerce. At the same time, Motamed Khaghan became Minister of Posts and Telegraphs.

The accession of Sardar Mansur to the Cabinet is generally regarded as a sign of the increasing influence of the party which favours good and intimate relations with Russia and Great Britain.

I have, &c.

CHARLES M. MARLING.

[23815]

No. 16.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 84.)

Sir,

Tehran, May 28, 1910.

I HAVE the honour to acknowledge receipt of your despatch No. 77 of the 9th ultimo, in which you were so good as to send me certain documents (including translation of the lease itself) relative to the lease of land near Dizful by Agha Abbas Tariverdieff.

As regards the lease, I would point out that the statement made to His Majesty's consul at Kermanshah by Nizam-es-Sultaneh, and repeated to you in my telegram No. 222 of the 9th May, that the lease had been granted by his uncle, the late Nizam-es-Sultaneh, is obviously false, as the signature is that of the present Nizam (his uncle's name was Hussein Kuli), and the instrument also bears date of 10th Jemad-us-Sani, 1327 (29th June, 1909), whereas Hussein Kuli, Nizam-es-Sultaneh, died in August 1908. The Nizam's assurance that he could revoke the lease because it does not bear his signature is thus worthless. I am inclined to believe that the Nizam's motive in the whole transaction has been simply to induce some foreigner to acquire an interest in a property to which his title is questionable, and so strengthen his position against possible claimants or even against the Government itself, and that when he saw that the consulate took an interest in this particular estate, he entertained a vague hope of seeing British capital involved in it.

In your above-mentioned despatch you also did me the honour to request an expression of my views as to the advisability of a discussion of the case with the Sheikh of Mohammerah, in which you yourself see no utility.

The object of such a step would be to invite the Sheikh of Mohammerah to dispute Nizam-es-Sultaneh's right to lease the land in question, with the ultimate aim of preventing an enterprise which may be financed by German capital taking practical shape. In the first place, the presumption that any German capitalist has any intention of entering into the scheme is very slight indeed, and the opinion expressed by His Majesty's consul at Mohammerah, that the district is a very unpromising one for irrigation works, makes it very problematical that, with or without German support, anything practical will ever be done.

I should perhaps also point out that we cannot well offer any direct opposition to the scheme on the ground of German intrusion, inasmuch as irrigation works are not among the concessions defined in the joint note of the 20th May as affecting our political and strategic interests in Persia.

On the other hand, to lead the sheikh to take action might perhaps raise a question between him and the Persian Government, to whom Nizam-es-Sultaneh would be sure to appeal for support. We have already given the sheikh some proof of our solicitude for his interests by putting him on the scent of the Nizam's doing; when Lieutenant Wilson made enquiries as to what he knew of the transaction. It therefore appears to me that while it is primarily for the sheikh to decide what his own interests require, we should not urge him to raise a question in which we may have eventually to give him support against the Persian Government, possibly at an inconvenient moment.

In Major Cox's opinion the sheikh will, sooner or later, endeavour to assert his rights over the lands in question, and the projected visit of Tariverdieff and his party thither in the autumn will probably give him an opportunity to do so. But I see no reason for hastening that opportunity by any action on our part. The sheikh, I believe, has not suffered any material loss as yet, nor is he likely to do so during the next few months, and I therefore concur in your view that there is no object in discussing the subject with him at present.

I think, however, that His Majesty's consul at Mohammerah should be furnished with all the particulars which we possess of the lease, &c., for communication to the sheikh should he revert to the question, but with the instructions that he should not do anything to move the sheikh to raise the question.

The Russian Minister, to whom I have mentioned the matter more than once, seems quite disinterested in it.

I have, &c.

CHARLES M. MARLING.

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No. 17.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 88.)

Sir,

Tehran, June 3, 1910.

WITH reference to my despatch No. 72 of the 14th May, I have the honour to transmit herewith copy of a note received from the Minister for Foreign Affairs respecting the transaction recently concluded between the Persian Government and Messrs. Strick for the sale of Hormuz oxide, and the incidence of any claims that may arise therefrom.

I have confined myself merely to acknowledging its receipt.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 17.

Note communicated to Mr. Marling by Persian Minister for Foreign Affairs.

IN reply to your notes of the 16th and 27th April last, respecting the sale of oxide in Hormuz, and the transaction entered into by the Muin-ut-Tujjar with Messrs. Weir, I have the honour to inform you that the matter was discussed with the Ministry of Finance, and the following is the purport of the reply received from that Ministry.

The transaction entered into by the Persian Government with Frank Strick for the sale of 30,000 tons of oxide of iron through Mr. Brown, assistant manager of the Imperial Bank of Persia.

According to a document given to the Government, Messrs. Strick have efficiently guaranteed that all the claims of Messrs. Ellinger against the Muin-ut-Tujjar, or against the Persian Government on account of the above, should be settled by them.

The contents of the note of the Ministry of Finance show that the company will have no ground to claim any damages, and I therefore consider the question closed.

I avail, &c.

(For the Minister for Foreign Affairs)
SEKAT-UL-MULK.

June 1, 1910.

[23817]

No. 18.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 89.)

Sir,

Tehran, June 4, 1910.

WITH reference to my despatch No. 75 of the 18th May, I have the honour to transmit herewith copy of a despatch from His Majesty's acting consul at Shiraz,

offering some observations on the general situation in Fars, especially with regard to the position of Soulet-et-Dowleh.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 18.

Acting Consul Smart to Mr. Marling.

(No. 19.)

Sir,

Shiraz, May 6, 1910.

IN continuation of telegraphic correspondence ending with my telegram No. 54 of the 4th instant, I venture to offer a few observations on the general situation in Fars, with special reference to the question of Soulet-et-Dowleh.

The town of Shiraz has been exceptionally quiet, in spite of the absence of any real authority. I need not insist on the state of the Ispahan road, which has been closed to caravans for over two months. The post is robbed with monotonous regularity, and, if by exception, a post gets through safely, it has only to thank the forbearance of the robbers. North of Abadeh the Kughelus, and south of Dehbid the Arabs, appear to be in undisputed possession of the road. Nasr-ed-Dowleh, who is now among the Arabs at Kenareh, seems to have lost control of them for the present. The Jirreh route, under Soulet's care, has been safe, but is now closed to down traffic. Without notifying or consulting the Fars authorities, to whom he had given written guarantees for the policing of the road, he suddenly informed the merchants of Shiraz that, after sixteen days he would be no longer responsible for any new caravans on the Jirreh road. The result is the suspension of all transport trade pending the conclusion of some new arrangement with Soulet, who is now in Khan-i-Khabis, where delegates of the merchants have gone out to see him. It is said that he wishes to change the Bushire road to the Firuzabad route, and to assume charge of the Ispahan road.

The telegraph lines have been suffering much from interruptions, on the north by Arabs, on the south by Kashgais. The behaviour of the latter round Dastarjin, where they are continually cutting the wires, breaking into the telegraph office, stripping the gholams, is far worse than in previous years. Soulet promised Mr. Bill that this year his tribe would avoid Dastarjin on their march northwards. Ten days ago the Darashoori section of the tribe passed through Dastarjin, making havoc on its way. To my complaints Soulet replied that, to his regret, this one tribe had been forced to pass through Dastarjin, but that he did not believe the Darashoori capable of such improper behaviour. Since then, one by one, the different tribes of the Kashgais have passed, or are passing, through Dastarjin, each adding its quota to the work of destruction. Beyond unfulfilled promises of preventative or punitive measures and expressions of regret, my representations to Soulet appear to have as yet produced little effect.

About a month ago, a force under Muhammed Ali Khan Kashguli, at Soulet's bidding, captured Konartakhteh and killed Muhammed Ismail, headman of the late Hyder Beg of Kamarij, killed last year. Soulet was generally believed to be contemplating an attack on Kamarij in order to get possession of arms and ammunition reported to be stored there as well as to revenge himself on Mollah Khurshid for having killed one of his protégés. Mollah Khurshid, however, encouraged by the news of Zaygham's coming, defied Soulet, who apparently thought an attack on an almost impregnable stronghold like Kamarij was too risky an operation.

Soulet's successes in preventing Ala-ed-Dowleh's appointment last summer, in forcing the Jirreh route on the Fars authorities, in bringing about the failure of Saham-ed-Dowleh's administration, have immensely strengthened his position. He has abused his power by adopting an attitude hardly distinguishable from revolt. You have no doubt been informed of his intrigues with the Sheikh of Mohammerah and the Vali of Pusht-i-Kuh from other sources. From the information at my disposal here, I gather that the sheikh responded with much caution to his advances, offering money to help Soulet but expressing his inability to supply troops on the ground that his Arab riflemen could not be brought to fight side by side with Kashgais. Soulet also approached Nasr-ed-Dowleh, who, from fear, gave an ambiguous answer, which showed the former that he could not rely on the Kuvwamis for the furtherance of his grandiose schemes for the partition of Persia. However, he is most anxious to arrange with Nasr-ed-Dowleh a meeting, which the latter is endeavouring to avoid. The terms of the agreement between Soulet and the sheikh are so non-committal that they seem to point to, at any

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rate, a partial failure in the attempt to form a league of the south hostile to the central Government.

After his threats against the Governor-General and his insulting telegrams to Tehran, shown to you by Mr. Barker, Soulet appears to have calmed down for the moment, perhaps owing to the exchange of Ministries effected by Sardar Assad and Sipahdar. However, he has compromised himself so hopelessly that mutual confidence between him and the Governor-General is almost an impossibility.

Of course there is much to be said in defence of Soulet, who, with reason, suspects the intentions of the Persian Government towards him. I presume, however, that we are not concerned with the rights and wrongs of the question but have only to consider the likeliest method of restoring order in Fars. I venture to think that, if we intervene at all, our intervention should be directed to supporting the recognised authorities rather than to encouraging a rebel, suspected of complicity in attacks on British and Russian consuls, an ambitious schemer, who has given no proof of prudent statesmanship, a nomad chief, to whose interest it is to have a weak Government. Moreover, it is more than doubtful whether our intervention on behalf of Soulet would, except in some very drastic form, succeed in averting an eventual conflict or in bringing about co-operation between him and the Persian Government, while it would most certainly weaken the hands of the latter. The longer the Persian Government defer the day of reckoning with Soulet, the more formidable will be their task, for Soulet's strength will probably increase year by year. Any lasting reconciliation would seem impossible, unless the Persian Government practically hand over Fars to Soulet together. If Zafar-es-Sultaneh does not succeed in reducing the Kashgai tribe to its proper position of subordination, the result will probably be a repetition of Saham-ed-Dowleh's régime ending in failure, brought about by Soulet's obstruction, and a further increase in the latter's strength. In the interests of order it is most desirable that the dispute should be settled soon and either Soulet or the Persian Government get undisputed possession of Fars. On the other hand, I do not think that, in view of the weakness of the Persian Government, we should be justified in influencing them in any way against Soulet. They are in a much better position than we to judge of the chances of an anti-Soulet policy, and we cannot risk the responsibility of encouraging them to action, which might result in disaster. I submit, therefore, that the only fair and prudent policy for us is to stand aloof and watch the struggle, with the option of intervening later, if a favourable opportunity occurs, on the side of law and order.

I venture, with much diffidence, to express the opinion that the solution of the present situation is not yet beyond the power of the Persian Government, if only they can be awakened to its seriousness and incited to energetic action. On the condition that Soulet does not upset their calculations by a premature move, which is always possible and would quite change the aspect of affairs, the Persian Government have not an impossible task before them. Soulet dominates his tribesmen by fear, but is not popular with them owing to his hardness and avarice. Of course the wealth he has amassed would stand him in good stead, if he could bring himself to part with it judiciously in the hour of need. On the other hand, Zaygham, if officially appointed at the right moment, could almost certainly rely on the support of the most powerful tribe of the Kashgais, the Shishibouloukis, whose chief, Ahmed Khan, is his father-in-law. It is not unreasonable to suppose that, given the presence of a strong governor with a moderate force, the defection of this tribe would draw away others in its train. Moreover, experience seems to show that the Persian Government, in dealing with rebellious tribesmen, has hardly ever had to fight against an united tribe. At the first sign of resolution, backed by armed force, the chiefs who are less compromised generally secede and make their peace with the Government. It would seem that the task confronting the Persian Government in Fars is, for instance, simpler than the formidable problem which they successfully solved in Eastern Azerbaijan. If only the Persian Government, instead of the rabble, which appears to be accompanying Zafar-es-Sultaneh, would despatch to Fars under Yeprem the small disciplined force, which destroyed the legend of Rahim Khan's invincibility, I think that the danger of a successful rebellion here would be averted.

The day on which Zaygham, having first reached Shiraz, was officially appointed Bakhani and backed by a force such as I have described above, Soulet, unless he got help from outside Fars, would be in a very precarious position. Such a delicate and dangerous policy requires a strong man for its execution, and unfortunately Fars at this crisis of its history seems about to be entrusted to the hands of a weak Governor-General.

Moreover, the opinion of Persians here seems to be that the Persian Government

are incapable of making the same effort for Fars as they did for Azerbaijan, and the reason is obvious. When confronted with the crisis of Eastern Azerbaijan last autumn the Persian Government knew that failure to cope with it might result in a general Russian occupation of Azerbaijan. The result was that remarkable display of energy and really brilliant campaign in the snows of an Azerbaijan winter, terminating in the suppression of the rebellion. Here this stimulant is lacking, for the Persians know only too well that our policy would lead us to avoid bringing in troops at almost any cost. It is therefore very desirable that we should direct our attention to discovering some stimulant which would really drive the Persian Government into vigorous action. Though I am reluctant to differ from those who have much more experience of the south than myself, I cannot help adhering to the opinion, already expressed in my telegram, that an increase in the consular escort at Shiraz is unlikely to act as the desired stimulant. The Persian Government, not suspecting us of any ulterior designs, would not probably object excessively to the presence of a squadron of British cavalry at Shiraz with its restraining influence on the unruly elements in the province.

I believe that even vague threats of intervention couched in general terms would have more effect on the Persian Government than the prospect of an increase in the Shiraz consular escort.

In conclusion, I would add that my observations are mainly founded on local data, while the situation may be radically affected by outside factors, such as the attitude of the Sheikh of Mohammereh, &c. I have no doubt, therefore, that you will check my statements by the reports of Colonel Cox, who, with his riper experience, is of course in a much better position to judge of the possibilities of the situation.

I have, &c.

W. A. SMART.

[23818]

No. 19.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 90.)

Sir,

Tehran, June 7, 1910.

WITH reference to my despatch No. 82 of the 26th ultimo respecting disorders at Senneh, Kurdistan, I have the honour to transmit herewith a further despatch which I have received from His Majesty's consul at Kermanshah on the subject of the danger to which Mr. Tarragano is exposed.

Mr. McDouall is of opinion that there is something to be said in support of that gentleman's suggestion, that he should be appointed an honorary agent of His Majesty's Government with a view to his receiving more adequate protection than he at present enjoys.

I do not, however, myself think that the circumstances warrant the creation of a consular post merely to afford better security to Mr. Tarragano. We know very little of the events which brought about the murder of Daoud Koulouri except from Mr. Tarragano's own account, and the fact that no appeal for assistance was made by the Alliance israélite to the French Legation seems to point to the possibility that the murder was due to other causes than simple anti-semitism, and that Mr. Tarragano is unduly alarmist. I have, however, addressed a note to the Persian Government, requesting that prompt measures be taken for the maintenance of order and the protection of British subjects in Senneh.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 19.

Consul McDouall to Mr. Marling.

(No. 42.)

Sir,

Kermanshah, May 28, 1910.

IN continuation of my despatch No. 40, dated the 14th May, regarding disorders in Senneh, Kurdistan, I have the honour to inform you that Mr. Tarragano reports, but without giving dates, that after the murder of Daoud Koulouri the Sunday passed without incident, and he had proposed reopening the Alliance schools on Monday. Early on Monday, Haji Sheikh Abdullah, a very influential divine, sent to inform him that the night before 800 persons had collected outside the town and apprised him

of their intention to run all risks to release the converted Jew, Faradj Djedid, from the prison where he had been confined by the acting governor, Mushir-ed-Diwan, and to attack not only the Jewish quarter but also Mr. Tarragano's house. On this Mr. Tarragano at once sent his family to the Turkish consulate, and proceeded to the sheikh, who confirmed his message, and added: "I have up to now done all I possibly could to restrain the ignorant crowd, and to-day, feeling that I could not control them, I have done my duty as a man and a friend by informing you of their project."

Mr. Tarragano then proceeded to the acting governor, encountering unkind looks from the crowd in the street, and informed him of his conversation. Mushir-ed-Diwan refused to release his prisoner, but after some correspondence with the sheikh, on the latter agreeing to be guarantee for Faradj, he set him at liberty and the crowd calmed.

Mr. Tarragano is of opinion that this calm is only outward, and on the first occasion the fanaticism will break out again.

He states that there being neither governor nor karguzar the whole province is in a state of anarchy. Every night many shots are fired, houses are robbed, and men killed or wounded.

After alluding to his request to be allowed to fly the British flag once a week, *vide* my despatch above referred to, he asks if it would be possible to make him honorary agent ("votre représentant ici à titre honoraire"). He would always hold himself at the disposition of the legation to render any services required.

I would bring this last suggestion to your consideration. As it is difficult to obtain news of Kurdistan here, and Mr. Tarragano is a British subject, and there are schools of the Alliance israélite there entitled to our protection, I am of opinion that there is something to be said in support of the suggestion. Mr. Tarragano, as appears from his letters and confirmed by enquiries here, has cordial relations with the authorities, and evidently has tact. He expects to remain in Semneh for another three years.

I have, &c.
W. McDOWALL.

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No. 20.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 92.)

Sir,

Gulahek, June 8, 1910.

WITH reference to my telegram No. 248 of the 28th May, I have the honour to transmit herewith copy of the agreement concluded on the 26th May between the Persian Government and the Imperial Bank of Persia for the amalgamation and liquidation of the debts due by the former to the latter, and also for the service and amortisation of the sterling loan, made through the bank by the Government of India and His Majesty's Government in 1903-4.

The instrument is supplemented by three letters addressed by the bank to the Minister of Finance.

The first, dated the 2nd June, provides that the Persian Government will receive credit in Tehran for any sums due to it from the customs revenues, on the same day as the payment thereof is made to the bank or its agents in the Gulf ports (*i.e.*, that the Persian Government shall not be liable for interest during the time of transmission of specie to Tehran), and that the cost of transmission will be arranged with the Customs.

The second, also under date of the 2nd June, provides for the suspension, authorised by your telegram No. 110 of the 22nd April, of payments on capital account of the sterling loan of 1903-4; while the third, dated the 4th June, gives the Persian Government the option, when the total debt has been reduced to the limits allowed in the bank's concession, of allowing that amount to stand over.

I should mention that the present agreement does not settle all the questions at issue between the bank and the Persian Government, but that the bank still has outstanding claims amounting in all, as shown by the enclosed list, to 1,942,323.75 krans.

Mr. Rogers, the acting manager of the Imperial Bank of Persia, assured me that he was quite convinced that there would be no difficulty in coming to an equitable settlement of the various items, but that as it would take some little time to examine them all, he thought it better, and I agreed with him, not to defer the conclusion of the agreement.

As a matter of fact, an understanding in respect of the unsigned or cancelled bank

notes stolen on various occasions that figure in the above-mentioned list, has already been reached, by which the Persian Government agree to reimburse to the bank the value of all such notes that may be presented for payment.

I have, &c.

CHARLES M. MARLING.

Enclosure 1 in No. 20.

Agreement between Persian Government and the Imperial Bank of Persia.

IN conformity with the negotiations which have taken place between the Persian Government and the Imperial Bank of Persia, it is hereby agreed that:—

1. The consolidation of the several amounts due to the Imperial Bank of Persia, according to the statement rendered to and accepted by the Persian Government, is hereby effected, and the interest payable thereon from the 21st March, 1910, is fixed at the rate of 7 per cent. per annum.

2. Payment of interest on the loan and redemption of the capital will be effected by the Persian Government paying the yearly instalments amounting to 3,729,390.95 krans, as set forth in clause No. 3, in proportional monthly amounts of 310,782.60 krans covering a period of fifteen years from the 21st March, 1910.

3. As security for the debt and as guarantee for the payment of the yearly instalment of 3,729,390.95 krans agreed upon, the full net customs receipts of the Persian Gulf ports, including Bushire, Bunder Abbas, Lingah, Mohammerah, and Ahwaz, are hereby made payable to the Imperial Bank of Persia, and the Persian Government bind themselves by the terms of this agreement to pay exclusively to the Imperial Bank of Persia all such customs receipts with no deduction save that of the actual expenses of administration of the customs of the above-named ports for a period of fifteen years or until such time as the debts shall be totally extinguished.

4. The Imperial Customs will pay to the Imperial Bank of Persia, week by week, the above-mentioned Customs receipts of the whole of the Persian Gulf ports, including Mohammerah and Ahwaz, and the Imperial Bank of Persia will render to the Persian Government monthly, on the 21st of each month, accounts of all such receipts, and the surplus remaining—after due provision has been made from such funds to meet the amount required for amortisation of capital and payment of interest month by month—shall be at the disposal of the Persian Government.

5. In the event of the receipts of the above-mentioned ports for any one month falling below the amount required for the service of the debt, the Persian Government binds itself to make good any such deficiency from other sources of Government revenue, so as to fully meet the obligation to the bank undertaken by the Southern Customs for the month in question.

6. The Persian Government binds itself to discontinue all drafts on the Southern Customs other than for actual administrative expenses immediately connected with the collection of their receipts until the monthly amount due to the bank shall have been paid.

7. The Persian Government has the option of repaying the whole of the debt at the end of any one year, *viz.*, the 20th March, and it is agreed that notice will be given in writing two months before the end of any such year in which it is the intention of the Persian Government to take advantage of this option.

8. The Imperial Bank of Persia will allow the Persian Government interest at the rate of 7 per cent. per annum on all funds paid in for the redemption of the loan from the day on which they are paid in to the date on which they are applied for that purpose.

9. And it is further agreed that, as regards the sterling loan of 290,000*l.* of 1903-4, the payment of the interest and redemption of capital—amounting on the 21st March, 1910, with arrears, to 314,281*l.* 16*s.* 4*d.*—shall be paid off in fifteen equal annual instalments of 30,278*l.* 12*s.* 7*d.*, and in case the other revenues allotted to the service of the loan by the convention of the 1st September, 1904, should prove insufficient, the Imperial Bank of Persia agrees, and is hereby authorised, to apply any surplus remaining over from the receipts of the above-mentioned Persian Gulf ports after payment of the said monthly instalments (of 310,782.60 krans) to the payment of the annual instalment of 30,278*l.* 12*s.* 7*d.*, the payment being made in equal monthly instalments, as provided in article 4 of the present agreement. It is clearly understood

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Belgian Customs Administration, who, owing to the very strenuous official support given to the firm by the German Consulate and Legation, have hitherto found themselves obliged to tolerate a great deal of irregularity from them, have at last seen their way to assert themselves in some measure, and no longer treat Messrs. Wöckhaus and Co. as a semi-official German institution whose absolute good faith and purity of method must always be taken for granted and considered proof against impeachment. Consequently, while it is hardly open to doubt that unscrupulous representatives of the firm and the Persian associates in collusion with them have not hesitated in the recent past to take advantage of the facilities which exist for enterprise in the direction of contraband trade both in arms and other highly-taxed articles, there is reason to think that, owing to the bolder attitude now assumed by the Customs Administration as the result of mature experience of the firm, the latter is becoming more circumspect in its methods of business.

I have, &c.

P. Z. COX, Lieutenant-Colonel,
British Resident in the Persian Gulf, and His
Britannic Majesty's Consul-General for
Persia, &c.

Enclosure in No. 21.

Report by Vice-Consul Chick on German Shipping and Trade in the Persian Gulf
for the period October 1908 to September 1909.

THE third year of steamer sailings of the Hamburg-Amerika line to the Persian Gulf covers the period October 1908 to September 1909, during which eight steamers of the company in question and one steamer (of Danish nationality) chartered by the company visited the Gulf ports. In the two previous years the number of sailings had been thirteen and twelve respectively, and thus there is no doubt that the German line has felt, similarly to the British conference lines, the effect of the unsatisfactory condition of trade in Turkish Arabia and Southern Persia. The absence of grain for export from the Tigris, the absolute failure of the crops in the Karum valley, and the disturbed state of the markets for imported goods in Southern Persia have affected all shipping, particularly steamer lines running between the Gulf and Europe, and the following comparative figures represent the corresponding decrease in British shipping for the years:—

	September-October.		
	1906-7.	1907-8.	1908-9.
Anglo-Algerian Steam-ship Company ..	18	23	13
Bucknall Steam-ship Lines ..	6	8	7
West Hartlepool Steam Navigation Company ..	8	7	4

Imports to Gulf.

The total number of packages imported by the nine German steamers in question in the year under review, to all Gulf ports except Bussorah, was as compared with the two previous years:—

	1906-7.	1907-8.	1908-9.
Muscat	6,227	9,533	8,038
Bunder Abbas	5,347	17,685	2,062
Lingah	26,664	19,514	18,815
Bahrein	10,098	27,294	2,074
Bushire	10,808	26,013	19,353
Mohammerah	10,026	24,311	40,068
Alwaz .. ..	..	813	..
	69,070	125,863	104,410

According to figures forwarded by His Majesty's consul at Bussorah, imports to Bussorah and Bagdad by German steamers for the calendar years 1907, 1908, 1909, were:—

	1907 ..	1908 ..	1909 ..	Packages.
	221,725
	143,166
	129,674

Exports from the Gulf.

Of the nine ships employed by the Hamburg-Amerika Company during 1908-09, three left the Gulf for India and Ceylon in ballast on account of the insufficient cargo offering in Gulf ports. Only three vessels appear to have called at Mohammerah on the homeward voyage, and unfortunately no details of the cargoes taken were noted, but this was probably very small. The figures for export cargo are thus:—

	1906-7.	1907-8.	1908-9.
Muscat packages	..	..	..
Bunder Abbas	1,236	813	601
Lingah	6,031	9,172	7,743
Bahrein	25,431	38,728	16,954
Bushire	8,496	4,272	2,657
Mohammerah { tons	8,192	963	..
	3,788	3,229	..
Total packages	49,386	53,948	27,955
Also tons	3,788	3,229	..

The great bulk of the cargo taken from the Gulf was as usual from Bussorah and Bagdad, and a comparison with the figures compiled by His Majesty's consul at Bussorah for the previous calendar years 1907 and 1908 shows:—

	1907 (11 ships).	1908 (11 ships).	1909 (9 ships).
Tons	17,500	16,061	5,004
Also packages	103,098	78,608	98,768

Analysis of the Import Cargo.

Tables are appended to show the details of the merchandise imported by the German steamers at the several ports of the Persian Gulf; there is little to add to the report on German trade for 1907-08, for the classes, qualities, and brands of the various articles are essentially the same.

The German shipping line continues to rely largely upon sugar and kerosene for its outward cargoes, and in fact the remarkable manner in which its hold over the carrying trade of sugar consigned for Gulf ports has been increased affords ground for fearing lest Germany should acquire a monopoly of the sugar trade here.

The following figures are extracted from the table attached:—

	1906-7.	1907-8.	1908-9.
Crystal sugar—			
Muscat bags	199	..	660
Bunder Abbas	750	1,497	3,838
Lingah	5,298	6,655	4,919
Bahrein .. ..	..	4,093	500
Bushire	645	5,100	6,050
Mohammerah	2,750	5,049	4,146
	9,642	22,394	20,113
Bussorah and Bagdad during calendar years 1907, 1908, and 1909 bags	15,154	37,152	28,998

	1906-7.	1907-8.	1908-9.
Loaf sugar—			
Muscat bags	681	150	..
Bunder Abbas	1,623	500	1,412
Lingah	5,772	1,309	2,483
Bahrein	821	1,460	1,460
Bushire	3,020	1,370	2,510
Mohammerah	1,750	300	2,400
	13,669	5,089	10,265
Bussorah and Bagdad during calendar years 1907, 1908, and 1909 .. cases and bags	27,841	11,500	18,376

The increase in the import of sugar to all Gulf ports save Bussorah from 23,311 packages in 1906-7 to 30,378 packages in 1908-9 is notable, especially when the adverse conditions of trade in Southern Persia during the last two years, and the reduction in the number of vessels are taken into account.

The German firm, Wöneckhaus and Co., agents of the Hamburg-Amerika line, are interesting themselves actively in the sugar trade in all Gulf ports, and, as the German vessels alone at present maintain a direct connection between Hamburg and Antwerp and Gulf ports, they are necessarily profiting by their advantageous situation as regards this trade.

Kerosene.

The imports of Hungarian kerosene from Fiume, first introduced by Messrs. Wöneckhaus and Co. in 1907, totalled for the year under review:—

	Cases.
Muscat	2,000
Bunder Abbas	2,000
Lingah	9,700
Bahrein	1,000
Bushire	7,020
Mohammerah	29,980
	51,700

and the German firm has established a deposit at Mohammerah, partly for the reason that facilities there are better for storing kerosene than in Bussorah.

Other principal Imports.

Besides sugar and kerosene, which account for 82,078 packages, the other chief imports, that go to make up the total of 104,410 imported packages, are:—

	Packages.
Coffee—	
Lingah, Bahrein, and Muscat	5,813
Wood for date boxes—	
Muscat and Mohammerah	3,649
Matches	3,880
Arms and ammunition—	
Muscat	2,043
Candles	1,700

Messrs. Wöneckhaus and Co. and the Hamburg-Amerika Company.—As regards the interdependence of the Hamburg-Amerika service to the Gulf and the business of Messrs. Wöneckhaus and Co., it was shown in the report of 1907-8, that 68,396 packages out of a total of 125,863 imported to various ports were either the own property of Messrs. Wöneckhaus and Co. or consigned to them for their clients.

For the year 1908-9, out of a total of 104,410 packages the following may be similarly ascribed to Messrs. Wöneckhaus and Co.:—

To all Gulf ports	51,700 cases kerosene (Fiume).
To Bushire	1,200 „ loaf sugar (Antwerp).
	10 „ „ (Hamburg).
	1,500 bags crystal sugar (Hamburg).
	390 cases window glass (Antwerp).
	1,200 „ candles (Antwerp).
	98 „ beer (Hamburg).
	30 „ matches (Hamburg).
	2 „ cottons (Hamburg).
	27 „ various (Hamburg).
To Bahrein	5,359 bags coffee (Hamburg).
To Lingah (at least)	1,200 cases loaf sugar (Antwerp).
	2,500 bags crystal sugar (Hamburg).
	267 „ coffee (Hamburg).
	500 cases macaroni.
To Bunder Abbas	3,324 „ sugar (per Lydia).
	50 „ beer.
	42 „ various.
To Mohammerah	2,550 bags sugar (Hamburg).
	1,260 cases loaf sugar (Antwerp).
	184 „ beer (Hamburg).
	100 „ window glass (Antwerp).
	80 „ matches (Hamburg).
	109 packages miscellaneous (Hamburg).
Total	73,682

Thus Messrs. Wöneckhaus and Co.'s share of the total cargo imported to Gulf ports was considerably higher than that of 1907-8.

It is satisfactory to note that British firms have, on the whole, made less use of the line in 1908-9 than in 1907-8, when it was demonstrated that they had been responsible for giving 22,468 packages of freight to the German steamers.

Messrs. Ziegler's imports to Bushire were:—

Bags of sugar	3,250
Cases of sugar	550
Cases matches	255
Bales cottons	60
Cases drugs	20
Cases lamp-ware	20
Packages various	22
Total packages	4,177

Lynch Brothers imported to Mohammerah:—

Cases sugar	1,402
Bags sugar	1,350
Cases matches	150
Cases indigo	77
Total packages	2,979

Gray, Paul, and Co. imported:—

Bags sugar (to Mohammerah)	200
Cases sugar (to Lingah)	100
Bags coffee (to Bahrein)	65
Bags sugar („)	100
Cases sugar („)	200
Cases matches (to Bahrein)	110
Total packages	775

Other British firms imported 318 packages.

The total number of packages imported by or consigned to British firms per German steamers was thus 8,249, a great decrease on the 22,468 packages similarly brought in 1907-8. As regards the continental sugar, which forms the bulk of this year's amount, I was informed by Messrs. Ziegler's agent in May 1909 that he had written several times to Manchester most strongly on the subject of shipments by Hamburg-Amerika steamers; further, that the Manchester firm had advised the Société de l'Exportation des Sucres that continued shipments by this line would prejudice their business with the société. He assured me that the société would

henceforth, no doubt, always try to ship sugar for Messrs. Ziegler and Co. by British steamers as far as contracts regarding time of shipment permitted, and no doubt the same position holds good regarding Messrs. Lynch Brothers. Provided therefore that the good-will of the société and Messrs. Czarnikow are secured in this matter, and sailings by British steamers sufficiently frequent, the use of the German line by British firms should be still less in 1909-10 and subsequently. Further, as regards the imports by Messrs. Ziegler and Co. of Dutch cottons from Antwerp, only sixty bales were imported by German steamers in 1908-9, as against 323 bales in British steamers, whereas 283 bales were imported by German vessels in 1907-8.

As far as the ports of the Persian Gulf (exclusive of Bussorah) are concerned, the principal patrons of the line were thus Wöneckhaus and Co. and the above-mentioned British firms. The destination of the other 25,000 packages varies, and remains untraced.

Assuming that the British firms will endeavour to restrict their use of the line to a minimum, there rests the question as to how far Messrs. Wöneckhaus and Co.'s imports are so likely to be, or can be, curtailed as to starve the German line of a great deal of freight. Obviously the items in which competition is most needed as a method of attacking their position are kerosene and sugar.

Regarding Kerosene.—An enquiry was made of the Anglo-Persian Oil Company's representatives at Mohammerah in the summer of 1909 whether, pending the opening of the Ahwaz oil to trade, the Burmah Oil Company would not put a British oil on the Gulf market to compete with the Hungarian oil of Messrs. Wöneckhaus and Co., and it appeared that the Burmah Oil Company were debarred by an agreement with the Asiatic Petroleum Company from selling oil in the Gulf sphere. The Anglo-Persian Oil Company were, however, good enough to stimulate the Asiatic Petroleum Company to send up one of their English staff in Bombay last autumn to spy out the land, and the Anglo-Persian Oil Company have arranged to try shipments with Asiatic oil in the Gulf ports till their own oil comes into use.

The Asiatic Petroleum Company's oil is not a British export, and the company probably will be unable or unwilling to compete in price; but the managing agents of the Anglo-Persian Oil Company hope that "it will not be long before Persian oil comes on the market, perhaps a year or so," when no foreign brand should be able to find a place in the market of Southern Persia. In anticipation, the names of suitable agents have been given to the Anglo-Persian Oil Company.

It may therefore be reasonably expected that after another two years Messrs. Wöneckhaus and Co. will be unable to do much business in kerosene, and the German shipping line will be the loser of so much outward freight.

Sugar.—This is the product in which Messrs. Wöneckhaus and Co. do the largest part of their business in the lower Gulf ports. The measures suggested in the report of 1907-8 for stimulating competition are still being followed up. The Board of Trade state that Messrs. Henry Tate and Co. have been induced to send a trial consignment of 40 tons of their English crystals for distribution in the Gulf ports; the sale will be conducted by Messrs. Gray, Paul, and Co., and Messrs. F. C. Strick and Co. have granted a specially low rate of freight. His Majesty's consuls and political agents all round the Gulf have been asked to encourage further purchases of these crystals amongst the native traders who come under their influence. The crystals sent in the trial shipment are likely to compete very favourably with the Austrian brands, E.A.R., Z.K.Z., and S.P., exported from Hamburg, which now hold the market.

Transshipment charges in the Gulf militate at present against Bahrein and Koweit being able to make use of these British crystals, for the home lines by which the outward freight is conceded do not call at Bahrein and Koweit.

Mauritius Crystal Sugar.—During the year under report only 250 bags had been consigned to lower Gulf ports by the Anglo-Ceylon and General Estates Company, who failed, however, to fill orders for a very much larger quantity offered to them by Messrs. Gray, Paul, and Co. It appears that the slowness of communication with Mauritius—nearly three months by letter—is the chief obstacle to trade with Mauritius sugar being pushed here, and telegraphic communication at 3 rs. 1 a. per word is prohibitive. Pending any steps which may be possible to obtain a reduction of this rate, this consulate-general has arranged with the sugar company in Mauritius for the latter to send telegraphic quotations to Bushire at stated intervals, to hold good for a stated period.

These quotations will be immediately handed on to His Majesty's consuls and political agents at the several ports, and by them communicated to Messrs. Gray, Paul, and Co.'s agencies.

Loaf Sugar.—No steps by Messrs. Tate and Sons or other firms in England seem to have as yet been taken to offer competition to the Belgian brands R.T. and U.T.O., which at present hold the public taste in Southern Persia, and are brought out direct from Antwerp in these German steamers calling at Bushire.

According to manifests of British steamers calling at Bushire in the period under review no operations direct with Antwerp are shown, but 650 cases of loaf sugar from Antwerp were carried by vessels of the Anglo-Algerian Company on their London manifests, and must have been transhipped.

Coffee.—The direct German service from Hamburg to Bahrein and Bussorah, which together import some 12,000 bags yearly by the Hamburg-Amerika steamers, undoubtedly puts Messrs. Wöneckhaus and Co. in a stronger position as regards the price of freight than their English rivals. Figures showing the imports by Messrs. Gray, Paul, and Co. by British India Steam Navigation Company's steamers for a corresponding period are not yet to hand. Periodical calls by steamers of the Anglo-Algerian and Bucknall lines at Bahrein with import cargo may also be expected to produce some substantial diminution in the number of bags carried by the Hamburg-Amerika steamers, and consigned to Messrs. Wöneckhaus and Co.

Wood for Date Boxes.—Correspondence between the agent to the Government of Mysore in the Forest Department and this consulate-general still continues on the subject of the practicability of utilising Mysore timber for the boxes, of which large quantities are brought every year from Sweden and Fiume to Bussorah, Mohammerah, and Muscat for packing dates. The principal reason likely to frustrate this project appears to be the lack of skilled labour in Mysore necessary to turn out the boxes in a finished state.

Arms and Ammunition.—It is satisfactory to find the import by the Hamburg-Amerika line to Muscat reduced from 5,241 cases in 1907-8 to 2,043 cases in 1908-9. This must have reduced their takings in freight by nearly 19,000*l.*, and as the arms trade in Muscat has suffered a serious setback this season through the close blockade by the East Indies squadron, arms imports by this line are likely to be still further reduced. Freight to this port has undoubtedly been a great standby for the German shipping line in its forced entrance to the Persian Gulf trade; further loss in freight on arms would no doubt not be without effect in making the line reconsider its policy.

The Persian Mirza and Persian broker of Messrs. Wöneckhaus and Co.'s Bushire office have been large importers of arms to Muscat for subsequent smuggling to Tangistan. The prolonged blockade has now put the broker in a serious plight, as he is called upon to meet bills drawn on him by arms exporters in Germany to the amount of several thousand pounds; and as on the one hand the arms are delayed in Muscat for fear of capture, and on the other his Bushire clients are demanding the return of their deposits, his difficulties should teach German arms exporters a sharp lesson.

Synthetic Indigo.—The sale has prospered in the interior of Persia, the total number of cases imported to Bushire, Bunder Abbas, Mohammerah, and Bahrein being 345. Messrs. Lynch Brothers have taken up the agency at Ispahan for the manufacturers—Muster, Lucius, and Browning.

Velvets and Plushes.—A British merchant in Ispahan has offered to provide me with a full range of patterns of the types of German and French velvets, and to give information as to the widths, qualities, selvedge, and shades required in the Ispahan market, in order that these points may be brought to the notice of English manufacturers.

Beer.—525 cases of German Pilsener beer were landed in the year under review. As a result of suggestions from the Board of Trade to Messrs. Allsopp and Sons and other English brewers, orders have lately been obtained for trial consignments of the former's English lager beer to several Gulf ports amounting to some 120 cases.

Competition of the British Shipping Lines.

Rates of freight outward and homeward have remained steady throughout the period under report by both the German and British lines. General cargo to London by British steamers paid 20*s.* per schedule ton from March 1909 onwards, having been 15*s.* in January 1909, and 17*s.* 6*d.* from October to December 1908.

Freight by German steamers to Hamburg was about 25*s.*, but on a different tonnage scale, and probably were adjusted to the fluctuations of the British lines.

The position of trade between the United Kingdom and Lingah has undoubtedly been improved in 1909, as steamers of the Anglo-Algerian and Bucknall lines have paid several calls with import cargo, whereas in 1908 the German line alone maintained direct communication between Europe and Lingah. If Lingah continues to be made a regular port of all the British lines, imports by the German line should be reduced. Messrs. Gray, Paul, and Co. also write that they have practically decided to post a European agent at Lingah; these steps, coupled with Mr. New's appointment as vice-consul, should strengthen the British trade position as against the German.

The Anglo-Algerian Steam-ship Company having requested the recommendation of a native agent to represent them in Bahrein, the political agent there urged strongly that Messrs. Strick and Co.'s vessels should call direct at Bahrein, and stated that about 1,200 tons of export cargo could certainly be obtained for them each year. Up till this year the Anglo-Algerian and other British lines running from London have declared that it does not pay their vessels to make the detour and call at Bahrein; and the fact that the Hamburg-Amerika line has made regular monthly calls since the Gulf service was initiated, seems to prove either that the British lines are too exacting, or that the German line is especially subsidised to go to Bahrein. In any case some exports from London and Manchester are penalised in Bahrein in comparison with direct exports from Hamburg and Antwerp, and this would be adjusted by several vessels of the Anglo-Algerian and Bucknall lines calling at the island. The English crystal sugar, which has been introduced to compete with foreign sugar in the Gulf, has been landed at Lingah, Bushire, and the Shat-el-Arab ports; it cannot be tried in Bahrein, as transshipment from one of the above ports to Bahrein adds at least 6d. per cwt. to the price of the sugar. This is one result of the direct British lines not calling at Bahrein, where English sugar could be well pushed. Messrs. Strick's agent leads me to understand that they are favourably disposed towards the idea of some of their vessels going direct to Bahrein each year, when sufficient export cargo also offers, and perhaps this step will be taken during 1910.

Messrs. Strick and Co.'s agents at Bushire have tendered for the local agency of the Société de Tombac, which exports annually nearly 1,000 tons of Persian tobacco to Turkish, Red Sea, and Mediterranean ports, and 200 cwt. to Egypt; this contract expires in April 1910, and has been held hitherto by the Russian Steam-ship Agency. The Russian subsidised steam-ship line to the Gulf hold the contract for the shipping of the tobacco, and this expires in October 1910. Messrs. F. C. Strick and Co. have been put in possession of all the necessary details, but apparently find the present rates of the Russian company too low for competition, though the position of the Anglo-Algerian line would be strengthened, as regards exports from the Gulf, by obtaining the contract.

The greatest desideratum, however, for the British shipping lines is the resumption of their calls to Antwerp for Gulf cargo. The British lines have suffered considerably in loss of freight from their agreement with the Hamburg-Amerika line not to call at Antwerp, on which port the German line relies for almost one-third of the cargo brought by them to the Gulf. The Anglo-Algerian and Bucknall lines will not apparently risk reprisals on the part of the Hamburg-Amerika Company.

Messrs. Wönekhaus and Co.'s Business.

Reports as to the instability of the German firm continue to circulate, though perhaps biased and exaggerated. Mr. Robert Wönekhaus is said to have dissolved partnership with Herr Traut and Sturcken, who have financed the business from Hamburg. Mr. Thomas Brown, the stormy petrel of German commercial activity, has been absent on leave during the year under review, and the Lingah branch of the firm has been hardly as successful as formerly, having made serious losses in trading with Lar and Bastak, where political disturbances spoilt business.

Messrs. Wönekhaus and Co. have been represented by a German at Bushire since 1906, and it therefore gave rise to speculation when they withdrew their German agent without warning in February 1910, and closed their office, leaving a Persian broker to look after the shipping work.

The broker in question is stated by a Persian in the German service to be indebted to the company for 27,000 rupees on account of sugar advanced on credit terms, and probably also on account of arms.

From Mohammerah it is reported that they are losing too much money to remain sound for much longer, unless they are prepared to put their operations on a more businesslike basis.

On the other hand, Mr. Brown, the present manager of the firm in the Gulf, when in Bunder Abbas, announced his intention of stationing a German agent there to promote their own interests, and take over the shipping agency. Reports also mention that the German agent will probably spend the summer in Kerman and do business there. Hitherto there has been no European agent of any British firm in Bunder Abbas, and it would be most unfortunate if the first step in this laudable direction were to come from a German firm, especially as both Bunder Abbas and Kerman fall within the British sphere of influence.

Messrs. Gray, Paul, and Co. have been pressed locally to post a European agent at Bunder Abbas but seem most unwilling. The Government of India and Board of Trade have been advised of this probable development on the part of the German firm, and will doubtless judge of the advisability of pressing the point on Messrs. Gray, Dawes, and Co. in London. Messrs. Wönekhaus and Co. have at present ten Germans on their staff at the several Gulf ports, as against nine Englishmen representing Messrs. Gray, Paul, and Co., the premier British firm in the Gulf.

German Activity in the Gulf.

On the 31st October, Herr Wassmuss, the acting German vice-consul at Bushire, was ordered by his Government to proceed to the Anglo-Persian oilfields at Ahwaz and report. He concealed his intentions from the oil company's managing agents in Mohammerah, and, in consequence, was allowed to see very little on arrival at the oilfields.

No red oxide of iron has been exported from Abu Musa to Hamburg during the year under review.

It has been found impossible to procure a copy of the recommendations of Herr Kurt Zung, the commercial delegate from Constantinople, who travelled through Persia in 1908 for the improvement of German trade in Persia. From a note in the "Indian Trade Journal" of the 15th July, 1909, among the "means advocated for adoption by German traders appear to be the establishment of more mercantile houses in Persia; the sending out of commercial travellers to study markets; the establishment of banks and sample rooms in the principal commercial centres, and an increase in the number of consular representatives."

Imports into Bushire.

	1906-7.	1907-8.	1908-9.	Approximate or Declaration Value (1908-9).
<i>Hamburg Cargo.</i>				
Matches cases	1,720	835	910	£ 2,306
Cotton goods "	77	20	23	482
Woollen goods "	5	37	28	508
Velvets and plushes "	58	76	14	378
Leaf sugar "	720	820	10	10
" bags	700	..	..	..
Crystal sugar "	..	5,100	2,450	2,450
Liquors, whisky, &c. .. cases	75	87	31	93
Beer "	90	198	175	268
Cocoa "	6	..	..	..
Drugs "	120	171	134	955
Glassware "	28	98	13	65
Iron, brassware "	30	35	43	26
Lampware "	22	10	22	174
Sewing machines "	25	21	22	176
Stationery "	113	..	..	..
Paper in bundles "	73	170	..	..
Colours "	60	130	20	12
Earthenware, porcelain "	..	75	12	120
Provisions "	..	28	..	..
Indigo "	..	18	108	2,268
Furniture "	..	27	..	..
Oil, linseed, castor, &c. .. "	..	97	21	58
Miscellaneous packages	113	106	83	474
Personal "	113	39	37	..
Total packages "	4,148	8,198	4,156	10,902

	1906-7.	1907-8.	1908-9.	Approximate or Declaration Value (1908-9).
<i>Antwerp Cargo.</i>				
Indigo cases	358	42	..	£
Cotton goods "	171	368	104	1,886
Loaf sugar "	1,600	550	2,500	2,500
Crystal sugar bags	645	..	3,600	3,600
Liquors, wine, &c. .. cases	106	..	58	232
Candles "	800	1,100	1,350	614
Window glass "	1,700	520	390	176
Glassware "	239	46	37	370
Miscellaneous "	69	35	44	90
Colours, chemicals "	..	42	15	300
Cloth, woollen bales	..	13	..	..
Matches cases	..	..	30	76
Copper, sheets bundles	..	..	20	178
Ironware, nails cases	..	..	10	31
Total packages	5,688	2,716	8,167	9,533
<i>Fiume Cargo.</i>				
Kerosene cases	752	15,000	7,020	1,851

BUSHIRE.

	1906-7.	1907-8.	1908-9.	Approximate Local Value (1908-9).
<i>Exports.</i>				
Opium chests	103	199	..	£
Gum, tragacanth cases	557	1,016	..	..
.. insoluble bags	2,391	..	1,499	1,635
Tobacco bundles	295	644	110	260
Carpets "	92	30	20	1,947
Poppyseed bags	1,798	164	..	..
Linseed "	400	171	291	217
Cuminseed "	54	41	..	..
Raisins "	1,649	705	..	..
Rosewater cases	..	174	13	7
Barley bags	..	168	..	..
Wheat "	..	520	..	..
Wool, raw bales	45	102	274	1,146
Skins "	1	5	..	..
Cotton, raw "	80	..	..	..
Shells baskets	..	320	..	..
Dates "	626	..	..	..
Almonds bags	400	..	396	2,376
Miscellaneous packages	5	4	54	..
Total packages	8,496	4,272	2,657	6,988

MUSCAT.

	1906-7.	1907-8.	1908-9.	Value. Muscat (1908-9).
<i>Imports.</i>				
Arms and ammunition .. cases	2,071	5,241	2,043	£
Loaf-sugar "	681	150	..	59,597
Sugar, soft bags	199	..	530	911
Vermicelli cases	79	175	300	266
Cotton goods bales	597	553	216	1,948
.. .. cases	..	..	12	215
Wood for date boxes .. bundles	2,143	..	2,206	366
Liquors, wine, &c. .. cases	217	351	118	116
Kerosene .. .. "	..	..	2,000	466
Perfumery "	6	10	10	35
Coffee bags	..	..	187	531
Matches cases	4	..	..	..
Paints and colours "	20	45	..	..
Henna bags	20	..	..	..
Fezzes cases	6	..	..	..
Syrups "	12	..	..	..
Oil stores "	..	65	..	..
Miscellaneous packages	172	170	286	788
Total packages	6,227	6,760	8,038	65,239

BUNDER ABBAS.

	1906-7.	1907-8.	1908-9.	Approximate Local Value (1908-9).
<i>Imports.</i>				
Loaf sugar cases and bags	1,625	500	1,412	£
Crystal sugar bags	750	1,497	3,838	1,586
Kerosene cases	..	1,000	2,000	6,202
Iron bars bundles	..	3,118	..	577
Steel bars "	..	2,444	300	104
Iron plates and sheets "	..	8,806	187	74
Liquors, brandy, &c. .. cases	123	93	122	174
Indigo "	10	40	127	1,932
Beer "	..	42	72	97
Window glass "	..	100	..	..
Enamelware "	..	23	..	..
Piece goods bales	25	5	..	..
Matches cases	2,270	17	1,025	1,577
Candles "	300	..	10	67
Velvet .. .. "	..	..	4	77
Miscellaneous packages	144	..	15	72
Total packages	5,247	17,685	9,062	12,659
<i>Exports.</i>				
Gum, tragacanth packages	1,090	599	52	39
Poppy seeds "	15	83	..	..
Lucerne seeds "	51	48	22	42
Pistachios "	3	10	..	..
Tobacco bags	75	..	..	..
Carpets bales	..	12	376	19,047
Assafoetida cases	..	61	94	716
Miscellaneous packages	2	..	52	86
Cotton bundles	..	..	5	12
Total packages	1,236	813	601	19,942

N.B.—The carpets were for New York and are the export of two Armenian firms established in Kerman.
[1738]

LINGAH.

	1906-7.	1907-8.	1908-9.	Local Value (1908-9).
<i>Imports.</i>				
Loaf sugar	5,772	1,309	2,483	£ 2,883
Crystal sugar	5,293	6,635	4,919	8,432
Macaroni	2,944	3,085	500	428
Piece goods	142	212	127	2,720
" .. .. .	..	46	..	..
Brocade, gold braid, and thread ..	6	19	3	240
China ware and crockery	131	147	60	416
Coffee	620	660	267	858
Soap .. .. .	..	100	1	1
Haberdashery	141	34	..	..
Iron .. .. .	..	142	13	10
Kerosene	10,800	7,050	9,700	2,771
Paints .. .. .	..	8	19	118
Beer .. .. .	..	20	22	5
Perfumery	15	18	7	60
Candles	748	..	200	100
Glass ware	20	..	58	33
Miscellaneous	27	20	75	236
Matches .. .. .	..	..	130	352
Woollens .. .. .	..	..	1	95
Wines, spirits, &c. .. ..	..	..	20	22
Provisions .. .. .	..	..	210	183
Total packages	26,664	19,334	18,815	19,974

<i>Exports.</i>				
Oyster shells	5,082	8,123	5,385	1,636
Pearl shells	541	131	67	253
Raisins	46	800	..	..
Assafoetida	51	..	151	829
Dried grapes .. .. .	..	51	..	..
Almonds .. .. .	..	35	..	..
Linseed	96	..	..	..
Poppy seed .. .. .	..	11	..	..
Gum Tragacanth	67	19	..	..
Tobacco .. .. .	..	300	..	..
Gum mastic .. .. .	..	200	..	..
Miscellaneous	148	2	..	..
Rafters .. .. .	..	..	2,140	85
Total packages	6,031	9,172	7,748	2,805

BAHREIN.

	1906-7.	1907-8.	1908-9.	Local Value (1908-9).
<i>Imports.</i>				
Loaf sugar	821	1,460	1,160	£ 1,655
Crystal sugar .. ..	..	4,093	500	666
Vermicelli	3,825	1,171	140	93
Coffee	4,252	4,887	5,559	12,238
Kerosene .. .. .	..	14,525	1,000	266
Matches	355	284	290	676
Candles	50	4	..	..
Cotton goods	172	108	16	141
Woollen goods	4	7	3	70
Gold thread	21	54	8	426
Perfumery	83	93	8	26
Glassware	36	77	30	60
Chinaware, crockery	67	179	40	108
Haberdashery	76	..	..	..
Sewing machines	42	18	6	16
Window .. .. .	..	50	..	..

	1906-7.	1907-8.	1908-9.	Local Value (1908-9).
<i>Imports (continued).—</i>				
Enamelware .. .. .	..	57	11	£ 73
Lampware .. .. .	..	23	..	..
Soap .. .. .	..	39	..	..
Colours .. .. .	..	3	31	170
Iron wire .. .. .	..	535	68	136
Cement .. .. .	..	200	..	..
Stationery, paper .. ..	..	27	23	108
Condensed milk .. ..	..	10	..	..
Henna	49	..	..	..
Copper sheets .. .. .	..	34	..	..
Metalware .. .. .	..	9	16	32
Miscellaneous	245	49	20	103
Provisions .. .. .	..	..	45	120
Total packages	10,098	27,994	9,074	17,181
<i>Exports.</i>				
Shells	12,432	28,760	11,492	1,532
Dates	12,967	9,968	5,462	1,092
Total	25,399	38,728	16,954	2,624

MOHAMMERAH AND AHWAZ.

	1906-7.	1907-8.	1908-9.	Approximate Local Value (1908-9).
<i>Imports.</i>				
Loaf-sugar	1,750	300	2,400	£ 2,400
Crystal sugar	2,750	5,049	4,146	4,146
Cotton goods	118	514	19	190
Woollen goods	4	10	..	..
Velvets and plushes	8	..	..	..
Kerosene .. .. .	..	7,550	29,980	8,176
Matches	10	160	1,025	2,596
Window glass	100	..	100	37
Glassware	17	8	..	..
Iron and brassware	135	529	..	..
Iron hoops	40	219	..	..
Wood for date boxes	3,700	9,600	1,440	145
Provisions	127	181	..	..
Miscellaneous—	..	..	..	..
Local	169	..	..	..
Up-country	313	164	400	..
Other	765	..	..	..
Colours, indigo	6	20	79	1,580
Gold thread	5	..	5	200
Drugs	9	2	..	..
Furniture .. .. .	..	49	..	..
Wines, &c. .. ..	..	63	58	290
Tea .. .. .	..	136	..	..
Beer .. .. .	..	20	266	408
Candles .. .. .	..	..	150	74
Totals	10,026	24,574	40,068	20,242

Exports.—Only three of the nine ships appear to have called at Mohammerah on their homeward voyage, and unfortunately no details were noted at Mohammerah of cargoes taken; but probably very little, save opium and gum, for London, as there was practically no grain or seed export from the Karum in 1909, owing to the failure

of the crops. The other vessels were in ballast for India or Ceylon. Previous exports by the line were:—

	1906-7.	1907-8.
Tons	3,787	3,329
Packages	8,203	968

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No. 22.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 93.)

Sir,

Gulahak, June 9, 1910.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's consul-general at Bushire, commending the work of Mr. J. H. Bill while in charge of His Majesty's Consulate at Shiraz.

I myself took charge of His Majesty's Legation after the departure of Mr. Bill from Shiraz, and am therefore unable to express any opinion on the subject, but I feel sure that Sir G. Barclay would concur in Colonel Cox's appreciation of Mr. Bill's services.

I have, &c.

CHARLES M. MARLING.

Enclosure 1 in No. 22.

Consul-General Cox to Mr. Marling.

Sir,

Bushire, May 22, 1910.

I HAVE the honour to forward, for your information, a copy of a letter dated the 22nd May, 1910, which I have ventured to address to the Government of India, commending from the point of view of this residency and consulate-general the work of Mr. J. H. Bill while in charge of the Shiraz Consulate.

I trust you will see no reason to differ from the view which I have expressed.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident
in the Persian Gulf, His Britannic Majesty's
Consul-General for Pers.

Enclosure 2 in No. 22.

Consul-General Cox to the Government of India.

Sir,

Bushire, May 22, 1910.

IN all matters connected with the commerce and politics of this region, the functions and work of the Shiraz Consulate and of this residency and consulate-general are, as I think the Government of India are aware, essentially interdependent. I trust, therefore, that I shall not be considered to be going beyond my province if I venture to record for your information my opinion from a Bushire point of view of the work done by His Majesty's out-going consul, Mr. J. H. Bill, L.C.S., during his service in the Shiraz appointment, under the orders of His Majesty's Legation.

In the matter of keeping in intimate touch with this consulate-general, Mr. Bill fully maintained the policy for the institution and pursuit of which I and my predecessor always had so much reason to be grateful to Mr. George Grahame, and his periodical communications to me as regards Fars affairs showed, to my mind, that he had acquired a sound grip of the political problems affecting the Fars province and our interests in southern Persia generally. As regards the performance of his practical consular duties, the many expressions of regret which have reached me in connection with his departure from Shiraz make it clear that he has earned an excellent reputation with the British mercantile community with which he has been thrown as a thoroughly efficient consular officer, who has looked after their commercial interests and rights as British subjects in a vigorous and persevering manner, of which all speak appreciatively.

Since handing over his duties at Shiraz, Mr. Bill has shown by his bearing during his encounter with Kuhgelu robbers on the way to Ispahan that he can be depended upon to render a good account of himself in directions apart from the ordinary routine duties of a consular post.

As far as I am in a position to judge, therefore, I think Mr. Bill's record at Shiraz has been a most creditable one, and have little doubt that His Majesty's chargé d'affaires, to whom I am forwarding a copy of this communication, will be disposed to agree with me.

I have, &c.

P. Z. COX, Lieutenant-Colonel,
Political Resident in the Persian Gulf.

[23822]

No. 23.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 94.)

Sir,

Tehran, June 10, 1910.

WITH reference to Sir G. Barclay's despatch No. 9 of the 22nd January, 1909, respecting a Dutch concession on the Karun, I have the honour to report that recently, in conversation with His Majesty's consul at Ahwaz, Ter Meulen stated that, although the Ahwaz barrage concession was practically worthless, the parties interested in the matter still regarded it as a *point d'appui*, and intended shortly to press the Medjliss to ratify it.

In view of the above-mentioned information, I took the opportunity recently to broach the subject to the new Dutch Minister, who has assured me that there is no truth in the statement that steps were about to be taken to bring the matter before the Medjliss.

I have, &c.

CHARLES M. MARLING.

[23823]

No. 24.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 95. Confidential.)

Sir,

Tehran, June 10, 1910.

WITH reference to my despatch No. 78 of the 19th ultimo, respecting the international syndicate, I have the honour to report that a few days later Mr. Osborne again called and gave Mr. Oliphant a very full account of the composition and the aims of the syndicate.

The list of names of members of the group in question tallied with that supplied to your department by the Board of Trade, though Mr. Osborne gave considerable details as to the financial standing of all the gentlemen in question.

In view of the information supplied by Mr. Woolf in London, it is unnecessary that I should trouble you with any account of Mr. Osborne's observations, except to remark that they were given with a frankness which, at an earlier stage, would have been of benefit to His Majesty's Legation.

I have, &c.

CHARLES M. MARLING.

[23824]

No. 25.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 96.)

Sir,

Tehran, June 10, 1910.

I HAVE the honour to report that negotiations have commenced between the Russian Legation and the Persian Government for the amalgamation and amortisation of the latter's debts to the Banque d'Escompte et de Prêts, the arrangement for a similar purpose already concluded between the Government and the Imperial Bank of Persia being taken as a basis for the discussion.

[1738]

M. Poklewski informs me that the Persian Minister of Finance is giving proof of a very reasonable spirit, and he hopes that a satisfactory conclusion will be eventually reached.

I have, &c.

CHARLES M. MARLING.

[23825]

No. 26.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 97.)

Sir,

Tehran, June 11, 1910.

IN continuation of my despatch No. 87, Confidential, of the 3rd June, I have the honour to report the following account of the further proceedings of the Russian party sent to arrest Darab Mirza at Zinjan, as supplied to me by the Russian Minister.

The party remained in the immediate vicinity of Zinjan three days, which seems to have been a quite unnecessarily long delay, but which the officer in command explains seemed to him desirable, as the ex-Mir Shikar's forces might have attacked the town, and he wished to make it quite clear both to them and to the Governor of Zinjan that the rebellious movement had no support whatever from the Russian troops.

On leaving Zinjan the party, thinking it wiser not to return by the same route, took the northerly and more circuitous road which traverses the district Jarom to Meadjil, where it joins the Resht-Kazvin road. As they were passing through Jarom they were fired on from the hills, and in order to show that the party had no hostile intentions a few men were sent forward with white flags in skirmishing order. The firing, however, continued, and a small body of Persian horsemen was observed advancing to take up a position on a hill not far off. The Russians then began to return the fire, and the officer in command as a matter of precaution seized the hill above mentioned. On arriving they found a party of nineteen Persians, who said that they were Government troops. There were also two dead bodies, one of them that of Ali Khan (the present Mir Shikar), who is an Emir Toman (general) of the Persian army, and had been sent to the relief of Zinjan. The Russian officer's account of what happened at this point is confused. He speaks at one time of having taken these nineteen men prisoners, and at another says that he was afraid to leave them, as they said they would be killed by the Shahsevars of the neighbourhood, where the ex-Mir Shikar Ahmed Khan possesses a village named Chergar. He therefore left behind twenty-three Cossacks to guard them. On receiving his report, M. Poklewski at once instructed the Russian consul at Kazvin to request the governor to send to take charge of these men, and he also asked the Tehran authorities to give similar orders. No orders, however, were sent from either source, and he consequently ordered the Russian commanding officer to bring the whole party into Kazvin; they arrived there on the morning of the 9th, after an absence of eight days, and the "prisoners" were at once delivered over to the Persian authorities.

Exactly what happened at Chergar is hard to make out. M. Poklewski's theory is that the party fell upon a skirmish between Ali Khan's men and the ex-Mir Shikar's partisans, and this seems to be borne out by a statement in a letter he received from the Persian Government, stating that Ali Khan was killed by the ex-Mir Shikar. I am inclined to think that this is the true explanation, and that the Shahsevars then began to fire on the Cossacks simply in the hope of creating trouble. The affair lasted three hours, and the Cossacks fired 400 rounds. They had no casualties, and it does not appear that they caused any.

M. Poklewski's action appears to have been judicious throughout (though the same cannot perhaps be said of the Russian officer commanding the party). He thought, and I believe rightly, that the best way to prove that Darab Mirza's attempt was not countenanced by Russia was that he should be arrested by the Russians. Having given the necessary orders, he at once informed the Persian Government, and was thanked by both the head of the Russian section of the Foreign Office and the Persian Minister for Foreign Affairs, although forty-eight hours after, when the Cossacks were close to Zinjan and could not be recalled, the Persian Government began to raise objections. When he learnt of the delay at Zinjan, he sent the most urgent orders to the commanding officer to make the arrest and return to Kazvin as quickly as possible, but owing to some hitch in telegraphic communications his instructions were delayed a good many hours.

The account of the affair which is circulated among Persians is, however, very

different. It is affirmed that the Cossacks were sent in spite of the express wish of the Persian Government, and that at Chergar the Russians were the aggressors and were responsible for the death of Ali Khan. Two of these allegations are disproved from the facts which I have repeated above, and the third, that the Cossacks commenced the attack, appears on the face of it to be most improbable. The probabilities are that the local Persian authorities have sent imaginary accounts to conceal their own incompetency, and that the Ministers here, though aware of it, dare not, in the face of the deep-rooted anti-Russian feeling, do anything which would give them the appearance of defending the Russian account. The latter, moreover, it must be confessed, still requires some elucidation.

Darab Mirza is to be sent under escort to Russia.

M. Poklewski does not know what action his Government will take. As the Prince has been dismissed from the army, it is possible that he cannot be tried by court-martial, while a civil prosecution is obviously out of the question, as it would be impossible to produce the witnesses. He thinks that, on the whole, it is likely that recourse will be had to administrative measures, and that Darab will be condemned to be interned in some small town for two or three years. I fear that such punishment will hardly be looked on as sufficient by Persian public opinion.

I have, &c.

CHARLES M. MARLING.

P.S.—Since writing the above, I have learnt from M. Poklewski that the official reports received by the Persian Minister of the Interior confirm the Russian account in all essentials, and that they show that the stories current in Tehran of a reactionary movement at Zinjan on a formidable scale are quite baseless.

C. M. M.

[23828]

No. 27.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 98.)

Sir,

Tehran, June 13, 1910.

I HAVE the honour to report that the Persian Government has given orders to the Administrator-General of the Customs that the silver imported on Government account by the Imperial Bank of Persia for minting purposes shall be allowed to enter duty free. Inasmuch as the minting of silver is now a Government monopoly, this measure appears to be a natural one enough; but it must be remembered that silver is imported wholly through the northern customs, the revenues of which are pledged to the service of the Russian loans and of the debts to the Russian Bank, so that, if the order is carried into force, those revenues will be diminished by the amount of the total duties of the silver imported, which, I understand, will this year amount to something over 300,000 tomans. The Russian Minister informs me that he intends to enter a strong protest against this attempt to filch part of the security pledged to Russia.

I should also point out that, if this considerable sum is allowed to figure as part of the profits of the mint, it would materially improve the value of the mint revenues as a security for a possible loan or advance.

I have, &c.

CHARLES M. MARLING.

[23828]

No. 28.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 100.)

Sir,

Tehran, June 14, 1910.

WITH reference to my despatch No. 84 of the 28th ultimo, respecting the alleged Russian concession on the Karun, I have the honour to report that His Majesty's acting consul at Mohammerah, whose previous information was to the effect that the district in question called Husseinabad (see Enclosure 2 in Sir A. Nicolson's despatch No. 200 of the 18th April), was held on lease by the Sheikh of Mohammerah, and was occupied by Arab tribes tributaries of Sheikh Khazal, has now been informed by the sheikh that if the land in question is at Husseinabad—and not situated between the

Diz and the Karun—it is beyond his immediate jurisdiction, and that, therefore, he himself is not concerned in the matter, but will leave the nizam to arrange matters with the Arab tribes; as, however, the Arabs have occupied the lands from time immemorial, they will probably dispute the nizam's right to dispose of or to lease land to foreigners; and in this connection it is not improbable that other powerful Turkish and Persian Arab tribes in the vicinity, and the Shagwand tribe will also support them.

Lieutenant Wilson adds that the land is suitable for irrigation, but that its development would be rendered difficult by the action of the above-mentioned tribes. This does not bear out Lieutenant Wilson's previous opinion that the land was very unsuitable for irrigation (see Sir G. Barclay's telegram No. 96 of the 6th March).

If, as it now seems, the sheikh is not personally interested in these lands we are precluded from making any opposition to the scheme through him, except by the indirect method of suggesting that he should urge the local tribes to insist on their rights, whatever they may be; but as those tribes are likely to prefer force to argument, such a course on our part might result in local disorders—a responsibility which, I take it, His Majesty's Government would not be prepared to incur. In any case, the prospects of the scheme would appear to be very questionable, and the employment of German capital in it still remains to be proved, so that I think that until we have more definite indication that our interests are threatened, we may content ourselves with awaiting further developments. It is perhaps worth observing that as irrigation works are not included in those enterprises which we have notified to the Persian Government as affecting our political or strategic interests, it will not be easy to make overt objections to the scheme.

I have, &c.

CHARLES M. MARLING

[23829]

No. 29.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 101.)
Sir,

Gulahak, June 14, 1910.

WITH reference to the recent telegraphic correspondence on the subject of the quarrel between the Sheikh of Mohammerah and the Vali of Bussorah, I have the honour to transmit to you herewith copies of two despatches (but not of their enclosures, which presumably have reached you already from His Majesty's Ambassador at Constantinople) from His Majesty's consul at Mohammerah, giving an account of the question down to the 12th May.

I see little in these reports that calls for any comment on my part at this stage, and I will therefore reserve any observations which I may have to offer on the case until I am in possession of the case for the Sheikh of Mohammerah, which has so frequently been mentioned in Colonel Cox's telegrams.

I have, &c.

CHARLES M. MARLING.

Enclosure 1 in No. 29.

Acting Consul Wilson to Mr. Marling.

Sir,

Mohammerah, May 7, 1910.

I HAVE the honour to forward, for your information, copies of the enclosed documents on the subject of the action taken by the Vali of Bussorah in satisfaction of certain alleged grievances against the Sheikh of Mohammerah.

2. I would also invite reference to the enclosed telegram on the subject.

3. In explanation of the general question of the sheikh's influence and interest in Turkish territory, I would point out that more than half the Arabs occupying the date groves on the western (Turkish) bank of the Shatt-al-Arab belong to tribes which have been for the last 100 years subject to the Sheikh of Mohammerah. The numerous islands in the river are occupied almost solely by his tribes, and of the eight headmen who signed the agreement between the sheikh and the oil company relating to Abbadan Island, four live in Turkish territory, though they are undoubtedly Persian subjects, born, like their fathers, on Persian soil.

4. Hitherto no Vali of Bussorah has attempted to raise the question of nationality,

and I am informed by Mirza Hamza, the sheikh's Bussorah agent, that the Persian nationality of such tribesmen was explicitly recognised by the Turks and formally recorded in the Government books.

The present val, Sulaiman Nathif, has confined himself to the mere assertion that Muhammad Chanan, whom he sought to arrest, was a Turkish subject, and refused to discuss the question with Sheikh Khaz'al or his agent in any way, until Muhammad Chanan had been handed over to him for punishment.

5. This man is the head of the largest and most powerful of the tribes under the direct control of the sheikh, and is the latter's brother-in-law. He has some 4,000 riflemen at his disposal in case of war, and provided some 2,000 to the sheikh in 1908, when the latter, with the authority of the Persian Government, was engaged in subduing the turbulent tribes of Hawaizah. His surrender, in any case, therefore, would be a practical impossibility for the sheikh, and would alienate from the latter a large section of his tribesmen.

He has not, moreover, been accused of any definite crime, and there is no reason, as far as I am aware, to think that he has been in any way concerned in crime or intrigues for some time past. On the contrary, for the last eighteen months the Shatt-al-Arab has been unprecedentedly quiet, and no outrages attributable in any way to the sheikh's tribesmen have occurred.

6. Until the middle of last month, the val's relations with Sheikh Khaz'al were extremely cordial, and the latter had not the slightest idea that the former contemplated breaking with him suddenly and shelling his brother-in-law's village, bombarding his mother's house, and ruining the sheikh's personal property, on so flimsy a pretext. That he did so under orders from Constantinople is, I believe, certain, and it is worthy of note that his action coincided with the arrival of Nazim Pasha in Bagdad, accompanied by reinforcements of Turkish troops.

7. Mr. Crow's despatch, No. 22 of the 23rd April enclosed herewith, indicates the gist of the val's complaints, which he alleges to be the ground for his present action. I have made careful enquiry in regard to them, and can find no ground whatever for the val's definite assertions on the subject of the shelter given to criminals in Mohammerah.

There is on the contrary a strong consensus of opinion that the murderers and criminals are residents of Bussorah and are still in Turkish territory, and that the Turkish police assert that they have fled across the boundary in order to justify their inability to catch them.

8. The sheikh has in general afforded every assistance to the Turkish authorities in the apprehension of criminals, but in past times he has been considerably discouraged by the fact that such persons always escaped or were released by the Turks after a short time, and by the fact that no justice was ever obtainable in the Turkish criminal courts (*vide* Enclosures 6 and 7). He is not yet satisfied that there has been any substantial change in this respect.

9. The action of the val in shelling and burning the village of Muhammad Chanan in the district of Zain, the personal property of Sheikh Khaz'al, seems to me to be unjustified from every point of view, and the official statement in the Bussorah newspaper (Enclosure No. 3) only confirms this opinion. It is unfortunate, too, that, whether by accident or design, the gunboat shelled and damaged without warning, the house of the sheikh's mother, close by, nearly frightening the old lady out of her wits. It is still more unfortunate that one of the sheikh's wives, and sister of Muhammad Chanan, who was in the latter's village at the time, has since died of shock consequent on the bombardment. These incidents have inflamed local opinion against the Turks.

10. There is no indication at present that the val intends to raise the question of the Turko-Persian boundary in the neighbourhood of Mohammerah, and it is to be hoped that he will not do so.

I have addressed the political resident in the Persian Gulf separately on this subject in my letter No. 255 of the 12th March, 1910.

11. In connection with the general questions pending between the val and the sheikh, I would invite reference to the map of the Shatt-al-Arab on the 1 mile = 1 inch scale, copies of which were forwarded to Sir George Barclay under my No. 119/43 of the 18th September, and also to the Foreign Office.

12. From the tenor of the val's letters to the Persian consul in Bussorah (Enclosures No. 1 and 2) it appears that he proposes to take forcible measures to enforce compliance with his demands, which are of very questionable legality.

13. Mr. Crow has ascertained from His Majesty's embassy at Constantinople that Persia claims the same rights in Turkey for her subjects, under article 1 of their

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convention of 1875, as other Powers enjoy under the capitulation, but this claim is not admitted by Turkey. Further, that Turkey cannot legally demand from the Persian Government the extradition of Turkish subjects accused of criminal offences who take refuge in Persian territory. Friendly arrangements for the extradition of criminals have, however, been in force for many years between successive Sheikhs of Mohammerah and Valis of Bussorah, and it is upon such mutual arrangements that the vali must rely.

14. Under instructions from Constantinople, Mr. Crow has already commenced negotiations with the vali with a view to arriving at a satisfactory settlement. The decision quoted in the foregoing paragraph will be of great assistance to him, as it shows that the vali has no legal right for his action. Haji Rais, the sheikh's confidential agent, has also gone to Bussorah to interview Mr. Crow and endeavour to find a basis for settlement that could be accepted by both sides.

15. The vali, by his precipitate action, has placed himself in the wrong, and has so far made no serious allegations against the sheikh, nor submitted any proofs in respect of such allegations as he has made. The sheikh is the aggrieved party in the matter, and I sincerely trust that he will receive reasonable satisfaction as an outcome of the negotiations.

16. Mr. Crow has been informed by His Majesty's Ambassador at Constantinople that there is no present intention of appointing a Turkish consul to Mohammerah, and no provision has been made for such a post in the Budget. The proposal appears to have been put forward by the vali about two months ago, but shelved for the present by the Porte.

17. The greater part of the contents of this despatch and of its enclosures has no doubt reached you telegraphically. I have, however, ventured to submit translations of the original documents, together with a report on the situation, in the hope that it may not be wholly without interest by the time it reaches Tehran.

18. I have sent copies of this despatch to the political resident in the Persian Gulf, Bushire.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.*

Enclosure 2 in No. 29.

Consul MacDonall to Political Resident, Bushire.

(No. 55. Confidential.)

Sir,

Mohammerah, April 24, 1909.

WITH reference to His Britannic Majesty's consul at Bussorah's despatch regarding disorders there, of which you forwarded me a copy in your No. 951 of the 20th April, I have the honour to inform you that there is no doubt that in the time of the two previous Sheikhs of Mohammerah, Haji Jabur and Sheikh Mizal, robberies at Bussorah were effectively used as a means of bringing pressure to bear on the Turkish authorities of Bussorah.

2. It is generally stated that the late outbreak of robberies at Bussorah and Abulhasil were organised at Failia, and I consider it probable that that was the cause. The fact that they ceased on appointment of a new vali, as stated by Mr. Crow, certainly confirms this. I therefore agree with the first part of Mr. Crow's letter.

3. The sheikh himself has now taken steps against the robbers, and, I am told, arrested twenty-five. Therefore, whether he instigated them or not, it appears that he only took action to stop them when relations between himself and the Bussorah authorities became more friendly. He himself only informs me that he arrested one man accused by the Bussorah police, and would have arrested another, but he, a relative of the nakib's, was murdered.

He also said that if the Bussorah authorities had evidence against anyone here he would arrest him; but that as bad characters were quite safe as long as they kept on the Turkish side, he could not often take the steps he did some years ago, when he obtained the murder of two notorious pirates, kidnapping a third on Turkish territory.

4. The sheikh certainly has in his employ as guards (the best use to make of them) many ex-bandits, and their pay is small. He has only to shut his eyes to their absence, to allow them to rob, and he may do so, when the Bussorah authorities act against him. But his predecessors actually ordered them to make their raids, which the present sheikh has never been supposed to do.

The last paragraph of Mr. Crow's letter is the opinion the sheikh himself has always expressed—that the Turkish courts are the great obstacle to suppressing robbery and piracy.

As to the Ma'kal case, I do not agree with Mr. Crow's opinion that the sheikh did not assist—my opinion was that he did. But it is always very difficult to arrest men of the marsh Arabs, who are protected by their friends in the marshes; and as to the two men, there was reason to suspect that they were wanted by the Turks for other reasons.

I have, &c.

W. MACDOUALL.

Enclosure 3 in No. 29.

Acting Consul Wilson to Political Resident, Bushire.

Sir,

Mohammerah, May 12, 1910.

I HAVE the honour to forward copies of despatches addressed to His Majesty's Embassy at Constantinople by Mr. F. R. Crow, His Majesty's Consul at Bussorah, on the subject of the difficulties between the Sheikh of Mohammerah and the Vali of Bussorah, and of the result of negotiations between the two parties, together with a telegram of the subject of the rules regarding extradition in force between Turkey and Persia.

2. I can add little to Mr. Crow's statement of the case, which seems to me in the main to represent the facts of the case from an impartial standpoint.

3. I think that the harbouring of bad characters by the sheikh is not so serious an evil or so deliberate a piece of mischief on the part of the sheikh as the Turks make out.

It has been the policy of the sheikh, like all other Arab chiefs, to take such persons into his service, pay them, clothe them and feed them, and thus keep them under surveillance and out of mischief, whilst at the same time securing for himself an efficient bodyguard. It is only when the sheikh has been stirred to indignation by the ineptitudes of certain valis that he has connived at the perpetration of outrages by such persons with the object (usually successful) of securing the removal of the vali or the cessation of the practices objected to.

4. Nor can it be assumed that the sheikh is generally cognizant of outrages committed by his subjects. The reverse is the case. The latter, living in Turkish territory, have hitherto been emboldened to commit depredations by the knowledge that the Turkish police were not likely to disturb their operations, and that subsequent punishment was not likely to follow. They only occasionally bothered to take refuge in Mohammerah, being safe in Bussorah, a larger town, where they would not be known personally.

5. The proofs of the Persian nationality of Muhammad Chanan, which have been submitted to me by the local authorities have satisfied me that he is a Persian subject according to international law, but this point has now ceased to have more than academic importance.

6. The settlement that has now been reached between the sheikh and the vali is shown by the enclosure to Mr. Crow's despatch No. 26 of the 14th May. It takes the form of a letter from the Turkish authorities to the sheikh, in which the latter set forth their case against the sheikh in brief and polite but forcible language, and announce their willingness to be friends with him if he will undertake to surrender fugitives and prevent his tribesmen from causing trouble in Turkish territory.

Something less than justice is done to the sheikh by this form of settlement, which is entirely in favour of the Turks.

But this must be accepted as inevitable, since they are, owing to Persia's weakness, now predominant on the river, and preparing to make good their claim to exercise sovereign territorial rights in the Shatt-el-Arab, which they regard as the territorial waters of the Ottoman Empire, to which Persian vessels have access only by virtue of the special clause in the Treaty of Erzeroum.

7. I hope to see the sheikh shortly, and shall urge on him the necessity of accepting the settlement, unsatisfactory though it may be, and of endeavouring to cultivate cordial relations with the Turks afresh. In the words of Mr. Crow, he must

modernise his ideas with regard to them, and realise that the change of régime, in Turkey, has brought about radical changes to which he must accommodate himself.

I trust that the Turks, on their part, will not again be so precipitate in their action should they have any cause of complaint, real or imaginary, against him.

(Copies of foregoing, with enclosures to His Majesty's Minister, Tehran, and to His Majesty's Consul, Bussorah.)

I have, &c.

A. T. WILSON, Lieutenant, I.A.

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No. 30.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 102.)

Sir,

Gulahek, June 15, 1910.

IN my telegram No. 252 of the 14th instant, I stated that the customs revenues are already so heavily charged that they cannot be regarded as providing adequate security for the service of an advance of so small a sum as 400,000L. In support of that statement, I have the honour to submit the following explanation.

Southern Customs.—The charges on these are:—

1. The annuity due under the Imperial Bank of Persia arrangement of the 26th May, 1910, 3,729,390 krans; and
2. The annuity due on the sterling loan of 1903-4 of 30,278L 12s. 7d. at 53 krans = 1,604,767 krans, or together 5,334,157 krans, while the average net receipts for the past five years are 7,958,890 krans,* leaving a balance of 2,624,733 krans.

Northern Customs.—The charges are:—

	Krans.
1. Coupon of the Russian loans	9,500,000†
2. Interest on ex-Shah's debts	1,000,000
3. Annuity for extinction thereof in ten years	1,500,000
4. Annuity for interest and sinking fund of Persian Government's debts to Russian Bank according to agreement under negotiation (about)	5,000,000
Total	17,000,000

as against net average receipts of 21,000,000 krans,‡ which leaves a balance of 4,000,000 krans.

These balances are, however, absorbed by the quasi-fixed charges, of which Sir G. Barclay gave an account in his despatch No. 200 of the 27th October last. As a matter of fact, the expenses charged on both the southern and northern customs have in the past usually exceeded the figure of these balances, the charges in the south having been 2,940,000 krans and in the north 5,000,000 krans, but some reductions are being made, and M. Mornard has informed me that with strict economy he thinks that he will be able to make both ends meet. So long, therefore, as these charges are allowed to stand undisturbed, and M. Poklewski and I are agreed that it would be most undesirable to alter the present arrangement, it is clear that for the present the customs revenues alone are useless as a security for even the most modest advance, and some collateral security would be necessary.

Such collateral security could be found either in the profits of the mint, which this year may amount, the manager of the Imperial Bank of Persia informs me, to as much as 10,000,000 krans, and would therefore amply suffice to guarantee the service of the whole advance; or if some source, e.g., the passport revenues, could be secured for the Russian half of the advance, we could demand that the telegraph receipts, from which, though already pledged to us for the service of the 1903-4 sterling loan, we have never received anything whatever, should be devoted to the service of our moiety of the contemplated advance.

* The customs returns so far point to the probability that the receipts for the current year will be considerably below this average.

† This item varies with the fluctuations of exchange, and the average is rather larger than this figure viz., 9,820,000 krans.

‡ The returns show that this average is likely to be exceeded in the current year.

There are also the Persian Government's share in the Persian Oil Company, a lien on which we might advantageously accept for our half of the advance.

I have, &c.

CHARLES M. MARLING.

[23831]

No. 31.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 103. Confidential.)

Sir,

Gulahek, June 17, 1910.

THE past four weeks have been occupied mainly by persistent efforts on the part of the Nationalists to oust Sipahdar from office. The reasons of his unpopularity with that party are, first and foremost, his alleged subserviency to Russia, and, in a less degree, the suspicion that he cares very little for the new order of things and desires office simply to forward his personal interests. There is a substratum of truth in the first of these charges, for, owing to the fact that Sipahdar's vast estates lie in Mazanderan, he has had very large dealings with the Russian Bank, which has in all probability found means to bring pressure to bear on him in political matters. At the same time, he has no doubt received favours at the hands of Russia, and it is probably due to his many dealings and close connections with Russia and the Russians that he is one of the few Persians who realise that the future of this country depends so largely on establishing good relations with the Northern neighbour. This in itself is sufficient to condemn him in the eyes of the Nationalists, who have not scrupled to turn the most trifling incidents into opportunities to attack him by circulating the most mendacious accounts of his action. It cannot be pretended that Sipahdar has always shown great prudence. He is essentially of the old school, and resents the meddlesome interference of the Medjliss committees with the executive; but his position has been an exceedingly difficult one. He has had to lead a Cabinet of which two or three members are frankly hostile to him, and one, Sardar Assad, whose importance is second only to that of the Prime Minister, has shown himself to be a false friend on more than one occasion. Sardar Assad, there is every reason to believe, would gladly see the fall of his quondam friend, to whom he still professes his allegiance; he is coquetting with the Nationalists, and would probably go over to them completely if he were not afraid that he himself would eventually be thrown over by them. Sipahdar's strength lies chiefly with the clergy, merchant, and artisan classes, who look on his presence in the Cabinet as necessary for the preservation of order, but the campaign of calumny conducted by the Nationalists, for which the recent affair of Darab Mirza afforded golden opportunities, has unquestionably much weakened his position, and it seems probable at the moment of writing that the Regent will be compelled very much against his will to accept the resignation which Sipahdar tendered a week ago.

M. Poklewski and I have stood quite aloof from the struggle. We have felt that the events of the last three months have shown that any interference on our part would probably only result in the restoration of the old Cabinet, and that the consequent intrigues both within and without it would prolong the chaos; the warnings addressed to the Ministers by Sir G. Barclay had an excellent effect in proving to them that the wishes of the two Powers cannot lightly be disregarded, but at the same time the interference was resented in many quarters, and it is a weapon which should, therefore, be used only in exceptional circumstances. We believed that it would be better to let the rival groups fight out the struggle alone, and if Sipahdar gained the upper-hand we should be morally certain to obtain the guarantees of good relations which we desire, while if he were worsted we anticipated that the Nationalist triumph would be but monetary. At any rate anything would be preferable to the state of affairs which has prevailed latterly, when we have not known from day to day whether there was a Government in office or not, so that all business was impossible.

With the weakening of Sipahdar's power the disposition of the Government to draw nearer to Great Britain and Russia has diminished. About the 20th May, both M. Poklewski and I learnt that the joint declaration as to the concessions, about which we desire the Persian Government to enter into an exchange of views before granting them to foreigners, had been well received, and strong hints were given to us that we should receive satisfaction on that point, and that the Persian Government would in return expect financial assistance from us. Unfortunately one of the ever-recurring Cabinet squabbles delayed the discussion of the Government's decision. In the mean-

time we were instructed out of deference to German representations to intimate to the Persian Government that our Governments did not require an answer, and there can be little doubt that that intimation, together with the hint which we were instructed to make, that the two Powers would not insist on the appointment of French functionaries in the Persian Ministry of Finance, gave the Persians the idea that the two Powers were showing signs of weakness. Evidence received later seems to point inevitably to the conclusion that the German Legation had not lost the opportunity of encouraging this belief and of letting the Persians know that our change of attitude was due to pressure from Germany. Be this as it may, an interview which I had with the Minister for Foreign Affairs showed that the readiness of the Government to meet our wishes had considerably diminished and that it was practically certain that, in spite of the intimation that none was required, an answer of some kind would be returned to us. Other indications all tending to the same conclusion reached both M. Poklewski and myself, and finally on the 5th June, M. Poklewski received information that appeared to afford positive proof that not only would an answer be sent but that its terms would be evasive and unsatisfactory.

Since then the prospects of a satisfactory solution without friction have become, if anything, worse. Even if Sipahdar returns to office with a comparatively loyal Cabinet we have still to reckon with the Foreign Affairs Committee of the Medjliss, which is exceedingly shy of the two Powers. All the influences which have been brought to bear on the Cabinet tell on that committee with greatly increased force, and some of its members, such as Hussein Kuli Khan Nawab, are among the bitterest of the Russophobe party, and it appears to me that the chances of establishing a good understanding, which a month ago appeared to be bright, are now sombre.

Another cause which has strengthened the conviction of the Nationalist party that they can show independence of the wishes of the two Powers, is the belief that they can obtain financial assistance from other sources. Some believe that Seyyid Ruete will return in the autumn with powers to make an advance from the Deutsche Bank, but others realise that this would be a too open defiance of the two Powers, and look to the International Syndicate, to which as a British group they consider the Powers could not raise any objection. Exactly what the representative of the syndicate in Tehran has been doing I am unable to say. He tells me that his syndicate is ready to advance anything up to 20,000,000*l.*, on the easiest terms, in spite of the fact, which he admits, that the operation from a business point of view to sheer madness. He denies that he has had any recent negotiations with the Persians, but there can be no question that his continued presence here acts as a strong incentive to the Persians, in the present attitude of mistrust, to apply to the syndicate rather than to the two Governments. And it seems to me that so long as he remains in Tehran the chances that the Government will renew their request to us for financial assistance are small.

In this despatch I have dealt a good deal on the anti-Russian feeling existing in Persia, and perhaps I have given it too great prominence, but, on the other hand, I feel that M. Poklewski is disposed to underestimate its force.

I have, &c.

CHARLES M. MARLING.

[23833]

No. 32.

Mr. Marling to Sir Edward Grey.—(Received July 4.)

(No. 105.)
Sir,

Gulshah, June 17, 1910.

I HAVE the honour to transmit herewith the usual summaries of the principal occurrences in the capital and the provinces during the past four weeks. I have attempted to give a sketch of the general political situation in another despatch.

In general there is little to record showing any improvement in the country, but that is scarcely to be wondered at when internal dissensions are paralysing the Central Government. In Shiraz, however, there is a trifling improvement, and the Minister of the Interior may be congratulated on having succeeded for the moment at all events in reducing Soulet-ed-Dowleh to a more submissive attitude. His Majesty's acting consul at Shiraz has been disposed to think that the Government would have done well to break Soulet's power completely, but the Government appear to have taken his bluster at its real value, and to be confident that now that he is aware of it, he can be useful to them in keeping the roads open. They may be also nervous as to what may occur when

Kawam-ul-Mulk returns from Kerman to Shiraz, and may be keeping Soulet-ed-Dowleh as a useful counterpoise in case the kawam should grow too powerful by allying himself with Zeigham-ed-Dowleh. The disquieting feature of the situation is the incapacity of Zaffer-es-Sultaneh, the recently-arrived governor, and it would be rash to predict that hostilities will not break out between the two sections of the Kashgais headed by Soulet-ed-Dowleh and Zeigham-ed-Dowleh respectively.

No serious case of brigandage has occurred during the period under review on the Shiraz-Ispahan road, which may or may not be due to the taming of Soulet-ed-Dowleh, who was probably indirectly responsible for the late robberies.

Practically nothing has been done to protect the road efficiently; an officer has been sent to Shiraz to form a corps of road guards, but lack of money has paralysed his efforts.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 32.

Monthly Summary of Events in Persia for the four weeks ending June 17, 1910.

Tehran.

THE Cabinet, after protracted negotiations with the Medjliss, was reconstructed on the 21st May, as follows:—

Premier and Minister of Interior	...	...	Sipahdar.
Minister of War	...	...	Sardar Assad.
" Foreign Affairs	...	...	Moavin-ed-Dowleh.
" Finance	...	...	Vosouk-ed-Dowleh.
" Justice	...	...	Sardar Mansour.
" Posts and Telegraphs	...	...	Motamid-i-Khakan.
" Commerce	...	...	Mushir-ed-Dowleh.
" Public Works	...	...	Sani-ed-Dowleh.

The newspapers ridiculed the constant exchange of portfolios by the above eight Ministers, and spoke in very disrespectful terms of Sipahdar and the new Minister of Justice.

On the 25th May the offending newspapers were suppressed by order of the Cabinet, and their editors were ordered to appear at the Courts of Justice to be tried, but this they refused to do. In consequence of considerable popular excitement Sardar Assad permitted the papers to reappear, and Sipahdar promptly withdrew from the Cabinet and retired to a country house. Negotiations continued until the 9th instant, when Sipahdar was induced to return to town. An attempt was made to form a Cabinet without him, but was not successful.

Between 8 and 9 P.M. on the 28th May some unknown armed persons entered the house of Amin-ul-Mulk, formerly postmaster, and a person known to have reactionary tendencies, and shot him, after which they made their escape.

On the 26th May the agreement between the Persian Government and the Imperial Bank of Persia, for the consolidation of the Persian Government's floating debt, was signed.

The Medjliss

The Cabinet changes were announced to the House by the Premier on the 21st May. At the same sitting the House approved and passed the report of the Budget Committee to allow the import free of customs duty of certain machinery for the manufacture of tools and buttons which it is proposed to undertake at Tabreez. From the reports received from His Majesty's consulate at Tabreez, it would seem that the German firm of Schunemann and Messig are behind this. (See Sir G. Barclay's despatch No. 193, Confidential, of the 18th October, 1909.)

On the 24th May, the deputy Vahid-ul-Mulk, formerly Persian correspondent at Tehran of the "Times" newspaper, asked the representative of the Foreign Office whether measures were being taken to contradict the misrepresentations respecting Persian affairs constantly made in the Western press. It is understood that he and his friends are particularly dissatisfied with the tone of the "Times" on Persian affairs.

In order to counteract this, a newspaper has just been started locally in the French language.

At the sitting of the 26th May, the House approved the arrangement concluded by the Government with the Russian legation respecting the exports of lamb skins. The suppression of the newspapers was then brought up and made the subject of violent attacks on the Ministry, who were accused of unconstitutional behaviour.

On the 31st May, the Under-Secretary for Foreign Affairs was severely cross-examined by the Deputies respecting various incidents connected with the Russian troops at Kazvin, and chiefly as to the Zenjan incident.

On the 4th June, the President announced that Vakil-ul-Roaya would not in future afford any assistance, as he had done in the past, to the executive departments. This was in consequence of the hostile criticism to which his action had given rise. Votes were taken, with the result that the majority approved of his continued activity in the executive branch while still a member.

On the 7th June, Prince Assadullah Mirza, in his capacity of reporter to the committee formed to deal with the Cabinet crisis resulting from the suppression of the newspapers and other causes, read a long speech containing the conclusions arrived at by his committee. The statement contained a reference to the demand of Sardar Assad on behalf of himself and the Premier for fuller powers than they possessed in order to deal effectively with the situation. This, it would seem, the committee was not prepared to recommend. A reference to the Regent had been made and he had stated that he was opposed to a change of Cabinet.

On the 12th June after Sipahdar had been induced to return to Tehran from the country where he had retired, one of the members gave an authoritative account of recent negotiations respecting the Cabinet crisis. He stated that the Regent had sent for the President and had sent a message through him to the House to the effect that he deprecated a change of Cabinet. It had therefore been decided to form another committee to discuss matters with the former Ministers with a view to a settlement. Another deputy strongly condemned the system by which important matters of State were discussed in secret by committees whereupon the President lost his temper and withdrew. He was, however, induced to return and a committee was eventually chosen which is now dealing with the matter.

G. P. CHURCHILL.

Tabreez.

1. The situation in Azerbaijan is normal. Incidents at Urumia and near Zenjan, in which Russian troops and the Persian forces were concerned, have been reported in a separate despatch.

2. Mr. Bill, lately His Majesty's acting consul at Shiraz, arrived at Urumia on the 11th June from Hamadan.

Resht.

1. Jemal-ed-Dowleh, eldest son of Zil-es-Sultan, passed through Resht on the 15th May on his way to Tehran.

2. The governor and the heads of the judicial and police departments have quarrelled with the local assembly, which they refuse to allow to interfere in administrative affairs. The members of the local assembly threatened to resign or to report matters to Tehran. Letters threatening the governor and other officials have been scattered about the town.

3. Kawan-ed-Dowleh, Minister of Finance under the reactionary régime, was arrested on the 16th May at Enzeli, on his way to Europe, as he had failed to appoint a responsible agent to represent him in Tehran. He has since been allowed to return to Tehran.

4. On the 19th May, the local press published a telegram from the Minister of the Interior (Sipahdar), informing the public that in future all cases between Persians and foreign subjects should be tried in the Persian law courts, and that the local Foreign Office agent has no right to interfere, but may be present at important cases.

Meshed.

1. On the whole, Khorassan may be said to be fairly orderly. Robbers from Fars have harried its western borders, but this is nothing unusual. Meshed itself and the surrounding districts are quiet, but the administration is said to have perceptibly

slackened during the last few months. Up to date Khorassan has paid its revenue on the whole very well, but considerable difficulty is anticipated in its collection during the ensuing year. During May, numerous robberies were reported on the roads in the west of the province, and on the main trade road to Seistan.

2. Major F. McConaghey arrived on the 7th May and took over the duties of consul for Seistan and Kain. He left for Turbat on the 19th May.

Seistan.

1. The new Russian military attaché, Captain Svetkoff, arrived on the 17th April.

2. On the 2nd June the Central Persian telegraph line was reported totally interrupted between Robat and Dehannéh. This appears to have been the work of Afghan gun-runners, of whom three parties were moving by Galuchab and Baluchab towards Seistan. The first party, 100 men with 400 camels, was said to have arms with it, and was at Baluchab on the 3rd June. The second party, also with arms, was near Gurrandab on the 8th June. The third party, said to number 800, was due at Baluchab on the 9th June. The telegraph officials were ordered to leave Dehannéh for Robat on the 14th June as there was a danger of Dehannéh being attacked by the Afghans. The Indian troops at Robat are being retained there until the last of the Afghans have passed northwards.

Ispahan.

1. A local journal having published an article reflecting on the Bakhtiari régime at Ispahan, a number of Bakhtiaris assuming a threatening attitude towards the editor. The Governor-General had the editor tried, and he was condemned to fourteen days' imprisonment; his paper to be suppressed for three months. The Governor-General, however, released the editor.

2. On the 16th May an American traveller, Mr. Dubois, arrived from Shiraz, having travelled unmolested on his own horses. He left for Tehran on the 20th.

3. During May the condition of all the roads was normal, posts arrived regularly, and no robberies were reported.

Burujird.

In the middle of May Mr. Strauss reported that according to Persian reports the Lurs had been committing excesses in the Sariband district and that further excesses were feared.

Kashan.

On the 27th May, Naib Hussein, who disturbed the peace of Kashan some four months ago, was reported to be within 4 miles of the town, with 250 men. On the 28th two of his sons, with 150 men, entered Kashan unopposed, Naib Hussein remaining at Finn. On the 2nd June he posted notices on the town gate, which, after stating the rates at which food-stuffs were to be sold, went on to say that if the governor did not leave the town that night he would be attacked. The Naib added that he had no intention of interfering with the town or the people, except seven or eight of his enemies. The Government troops remained in occupation of the positions they had taken up in the town, and on the 6th, 7th, and 8th June a good deal of firing took place, resulting in the Government troops losing one killed and two wounded, while the Naib was said to have had eight casualties. Reinforcements for the Government troops have been dispatched from Kum.

Yezd.

1. On the whole the roads have been undisturbed, but two robberies were reported, the first on the Kerman road in the middle of May, when the post was robbed; this was done by a gang of some 300 robbers, whom the governor pursued to the Fars boundary. He was unable to do more than engage their rear-guard, from which he recovered twenty donkeys, three or four of the robbers being killed. The second robbery occurred on the Tabbas road at the end of May, when a caravan was looted and several Afghan camel-men were killed. As a result of representations made by His Majesty's legation, the Minister of the Interior sent urgent orders for the arrest and punishment of the perpetrators. Steps are being taken to provide road guards, but it appears that those employed are not regularly paid. Some troubles and outrages are reported from the district. At Ardekan the exactions of the local governor led to

seventy villagers forcing their way into the telephone office and demanding that they be allowed to pay taxes direct to Yezd. At Nain a hooligan who killed a servant of the deputy governor in the mosque and wounded two inoffensive Jewish pedlars was not arrested, as the deputy governor was afraid of the man's followers. At Taft a seyyid made an unprovoked attack on an old Parsee and wounded him on the head and face with a knife. In Yezd itself a Parsee endowment house, which was twelve years ago illegally seized by a Mahomedan neighbour during the absence of the trustee, was recently restored to the Parsees by order of the governor, who gave permission to rebuild the dividing wall. On appeal this decision was revoked, but permission was given by the governor to the Parsees to refer the matter to Tehran. Despite this, the Mahomedan on the 6th June broke down the wall, and beat and abused the Parsee woman in charge. An appeal by the Parsee community to the governor was met with vituperation. The Parsees contemplated taking refuge in the British telegraph office; but were dissuaded from doing so by Mr. Blackman. An urgent demand has been made for the first instalment of this year's taxes of which the governor seems determined to enforce payment, irrespective of the people's ability to pay. The governor seems, moreover, to make the most of his opportunities of extorting money from those he makes responsible for the collection of taxes.

2. Colonel Haig, His Majesty's consul at Kerman, arrived on the 15th May, and left for Kerman on the 20th May.

Kermanshah.

The roads have all remained safe, and the province in good order except for some tribal fighting on the Kurdistan border. The governor is in negotiation with Daoud Khan, the Kalhoor chief, and is awaiting the arrival of some Bakhtiari horsemen before moving from Kermanshah. Daoud Khan is reported to be apprehensive of the force being collected by the governor, and to be ready to make terms with him. Some discontent was expressed against the methods adopted by the governor for restoring order, but his prompt arrest of two of the ringleaders of the malcontents has put a stop to the agitation.

Hamadan

1. Several robberies are reported, and the police are said to be very unsatisfactory.
2. Mr. Bill arrived from Tehran and left on the 21st May for Urumia.
3. On the 18th May six Russian Cossacks arrived from Kasvin. The next day thirty-six more arrived. The object of their visit was not known. A private letter to His Majesty's consul at Kermanshah gave the number as fifty with three officers. They were entertained by Amir Atkham for two days at his village. The account given by the Russian Minister is mentioned in another despatch.

Kerman.

1. The consular escort arrived from Bunder Abbas on the 17th May, and left to meet Colonel Haig on the Yezd road. Colonel Haig arrived on the 31st May.
2. Sardar-i-Zaffar, Bakhtiari, has been appointed governor in succession to Kawam-ul-Mulk. He will not reach Kerman for three months, during which time the Governor of Yezd will officiate for him. Kawam-ul-Mulk has resigned the post on the grounds that the Central Government have not given him proper support, and have not protected his property in Fars, and because the deputy governor took advantage of his absence on tour to intrigue against him. During his tour Kawam-ul-Mulk collected a certain amount of taxes and punished several local governors for oppression and extortion.

Shiraz.

Zaffar-es-Sultaneh, the new Governor-General, arrived at the beginning of June, since when quiet has prevailed in the town. The Kashgais appear to be divided into two parties under Zeigham-ed-Dowleh and Soulet-ed-Dowleh, and the latter's attitude towards the Governor-General is said to be submissive. The Bushire road via Kazerun appears to be once more open to traffic, and four Russian Cossacks travelled by it in safety to Shiraz. The post is also now sent by this route. On the Ispahan road the section near Sivend is reported unsafe, though no specific acts of robbery are reported.

PERSIAN GULF.

Bushire.

1. Early in May the new Governor-General of Fars telegraphed to Darya Beggi informing him that the Gulf ports had been placed under him (the Governor-General), and confirming the Darya Beggi in their governorship.

2. At the end of April the Customs Department, with the help of the Khan of Bunder Rig, established a custom-house near the mouth of the Rudhilla River, a well-known resort of smugglers.

Ahwaz.

His Majesty's consul left for Ispahan on the 22nd May.

Mohammerah.

The Anglo-Persian Oil Company have bought Messrs. F. C. Strick and Co.'s new launch for use on the Shatt-el-Arab and Lower Karun. The oil company's motor-launch crossed the rapids between Nassiri and Ahwaz and entered the Upper Karun on the 23rd April.

C. B. STOKES, Major,
Military Attaché.

[23862]

No. 33.

Mr. O'Beirne to Sir Edward Grey.—(Received July 4.)

(No. 284. Confidential.)

Sir,

St. Petersburg, June 21, 1910.

I HAVE the honour to state, with reference to my despatch No. 261 of the 2nd instant, that I asked the Minister for Foreign Affairs to-day whether the German Ambassador had made any overtures to him with a view to negotiations respecting Persia. He replied in the negative, but added that it was not for Germany but for Russia to make the first move, as Germany had proposed negotiations in 1907. His Excellency went on to say that Count Benckendorff seemed to have rather gathered that His Majesty's Government would prefer parallel to joint negotiations, and that they might not like him to make a proposal to them, such as he has contemplated, with a view to joint negotiations. I said that I did not at all know this to be the case, and it might be a mistake to take it for granted. At any rate, I was certain that you were most desirous that before any negotiations were opened with Germany the two Governments should come to a clear understanding between themselves as to the manner in which they would respectively act in the course of the negotiations, and that you would like his Excellency to formulate some suggestion on the subject which you could consider. M. Isvolsky asked whether His Majesty's Government would wish Germany to be informed that the two Governments had such an understanding between them regarding the negotiations, and I replied to the effect that I thought you would approve of a communication of this kind being made to Germany, as showing that complete solidarity existed between us. His Excellency gave me to understand that he would think the matter over further, and that he would probably make some suggestions to you before long.

I have, &c.

HUGH O'BEIRNE.

[23863]

No. 34.

Mr. O'Beirne to Sir Edward Grey.—(Received July 4.)

(No. 285.)

Sir,

St. Petersburg, June 22, 1910.

THE Minister for Foreign Affairs mentioned to me yesterday that Isaak Khan, formerly Persian Minister here and now in the same capacity at Rome, had expressed to a Russian diplomatist the opinion that it would be disastrous to withdraw the Russian force from Tabreez, as it provided the only kind of security against complete anarchy. I asked what his Excellency could tell me about the Kazvin force. He

replied that Russia was only waiting for a propitious moment to effect the withdrawal of that force, but whenever she was on the point of doing so a fresh incident occurred to render it impracticable. At the present moment there were the different incidents that I knew of, and there was also a case of a Russian subject who had been torn in pieces by a mob in Mazanderan.

I felt that the occasion was not very favourable for pursuing the subject further.

I have, &c.

HUGH O'BEIRNE.

[23868]

No. 35.

Mr. O'Beirne to Sir Edward Grey.—(Received July 4.)

(No. 292.)

Sir,

St. Petersburg, June 29, 1910.

I HAD an interview with M. Isvolsky to-day, after the receipt of your telegram No. 347 of the 28th instant, recording a conversation which you had had with Count Benckendorff regarding the Russian forces in Persia. I found that his Excellency had not yet received a report of this conversation from the Russian Ambassador, and I accordingly read your telegram to him. I said also that Mr. Marling had expressed the opinion in one of his recent telegrams that the news of the dispatch to Tabreez of men to replace the time-expired men who had gone home would lead to an outburst of public excitement in Persia. I pointed out that the recent incidents of which the Russian Government had had to complain either had been settled or were in a fair way towards a settlement, and I asked whether the Minister for Foreign Affairs could not see his way to announce simultaneously the dispatch of the reliefs to Tabreez and the withdrawal of the Russian force from Kazvin—an announcement which would produce an excellent effect.

M. Isvolsky began by saying that he was as anxious as anybody else for the withdrawal of the Kazvin force, but that the Persians made it impossible for him to effect it. It was not the case, his Excellency went on to say, that the incidents in which Russia was concerned were settled. The Persian Government still declined to remove Mukhbir-es-Sultaneh, the Governor-General of Tabreez. This official was working in every possible way against Russia, and the Russian Government must insist on his recall. Then it had been reported that very morning in the press that there had been a case of armed robbery on the Kazvin road. What effect would be produced on public opinion if, immediately after the occurrence, the Russian troops were withdrawn? Finally, M. Isvolsky said that he would do his best to hasten the withdrawal of the Kazvin force, but that it did not depend solely on him. He remarked, as evidence of his good intentions, that the Minister of War had desired to send reliefs to Kazvin as well as Tabreez, but that he had refused his consent in the latter case, because he had said that the force must be withdrawn.

The impression which I gained from this conversation was that the Minister for Foreign Affairs would genuinely like to withdraw the Russian troops from Kazvin, but that he is deterred from doing so partly by the fear of public opinion and partly also perhaps by the influence of the military authorities in the Caucasus, which he is not strong enough to override. I was struck also by the stress which he laid on the necessity of the recall of Mukhbir-es-Sultaneh.

I have, &c.

HUGH O'BEIRNE.

[23871]

No. 36.

Mr. O'Beirne to Sir Edward Grey.—(Received July 4.)

(No. 295.)

Sir,

St. Petersburg, June 30, 1910.

ON the receipt of your telegram No. 338 of the 24th instant, I addressed the *aide-mémoire* of which I have the honour to enclose a copy to the Minister of Foreign Affairs, stating that, in view of the reluctance shown by the Persian Government to apply to the two Powers for an advance, His Majesty's Government considered that it would be inadvisable to discourage a sound British syndicate, such as the Anglo-Persian Oil Company's group, from negotiating with a view to a loan, so long as the

conditions proposed were not prejudicial either to Russian or to British interests in Persia.

I have the honour to transmit herewith copy of an *aide-mémoire* which I have to-day received from the Russian Government, intimating that they have no objection to an advance of 400,000*l.* being made to the Persian Government by the British group in question, provided that the debts contracted by the Persian Government with the Banque d'Escompte et des Prêts are in the first place converted, and that the Persian revenues which serve as guarantees of the Russian loans are not affected to the service of the advance to be made by the British group.

I have, &c.

HUGH O'BEIRNE.

Enclosure 1 in No. 36.

Aide-mémoire communicated to M. Isvolsky by Mr. O'Beirne.

DANS une dépêche en date du 21 mars (3 juin) Mr. Marling exprimait l'avis qu'il se passerait quelque temps avant que le Gouvernement persan ne jugeât opportun de faire des démarches en vue d'obtenir l'aide financière des deux Gouvernements. Dans l'opinion de Mr. Marling, il n'existait point de raison valable pour s'opposer à ce que la Perse, si elle ne voulait pas s'adresser aux deux Puissances dans ce but, n'obtienne l'argent dont elle avait besoin d'une autre source contre laquelle il n'y aurait pas d'objections à soulever, telle, par exemple, que le syndicat formé par la société Anglo-Persian Oil, ou autres sociétés disposant des capitaux nécessaires.

Il semble à Sir E. Grey que les probabilités d'une démarche prochaine de la part du Gouvernement persan en vue d'obtenir un emprunt des deux Gouvernements n'ont pas augmenté depuis que Mr. Marling a émis l'opinion exposée ci-dessus. Etant donné le danger qui existe que le Gouvernement persan ne tente de conclure un emprunt avec une tierce Puissance, le Gouvernement de Sa Majesté britannique estime qu'il y aurait des inconvénients à décourager un syndicat anglais, solide au point de vue financier, de négocier avec la Perse, tant que les conditions de l'emprunt projeté ne portent aucun préjudice aux intérêts russes ou britanniques en Perse. Sir E. Grey attacherait du prix à savoir quelle est la manière de voir du Gouvernement Impérial à ce sujet.

Saint-Petersbourg, le 11 (24) juin, 1910.

Enclosure 2 in No. 36.

Aide-mémoire communicated to Mr. O'Beirne by M. Isvolsky.

LE Gouvernement Impérial ne voit pas d'objections à ce que le syndicat formé par la société Anglo-Persian Oil mentionné dans l'*aide-mémoire* de l'Ambassade britannique, en date du 11 (24) courant, avance au Gouvernement persan la somme de 400,000*l.*, à condition, toutefois, que cette avance soit faite après la conversion des dettes dudit Gouvernement à la Banque d'Escompte et des Prêts et que les sources de revenus servant de garanties aux emprunts russes ne soient pas affectées aux services de ladite opération. Le Gouvernement Impérial a en vue que, d'après les renseignements dont il dispose, ledit syndicat ne poursuit en Perse aucun but politique et ne demande que certaines concessions de mines dans les environs de Kerman et dans la zone neutre. Quant aux autres syndicats auxquels il est fait allusion dans l'*aide-mémoire* de l'Ambassade, tels que le Syndicat international et celui de la maison Sélégman, le Gouvernement Impérial ignore leurs conditions, et ne saurait, par conséquent, formuler une opinion à leur égard.

Saint-Petersbourg, le 17 (30) juin, 1910.

[23797]

No. 37.

Sir Edward Grey to Mr. Marling.

(No. 205.)

(Telegraphic.) P.

Foreign Office, July 4, 1910.

WITHDRAWAL of Russian troops. Please see your telegram No. 272 of the 2nd July.

We have previously been requested by the Persian Government to use our influence in favour of withdrawal. The Russians have for some time past, as it appears, been ready to withdraw their troops from Kazvin. You should point out to the Persian Ministers that the matter now appears to rest with their Government, since the withdrawal has been obstructed by minor questions on which the Persians have never replied.

[23766]

No. 38.

Sir Edward Grey to Mr. Marling.

(No. 107.)

Sir,

Foreign Office, July 4, 1910.

I TRANSMIT to you herewith copies of correspondence, as noted in the margin,* with the Anglo-Persian Oil Company respecting the alleged trouble between their agents and the Bakhtiari guards, on the subject of which, as reported in your telegram No. 205 of 1st May, you made representations to the Bakhtiari khans.

You will observe from the company's letter that their local agents are unable to account for the report in question, since no difficulty appears actually to have occurred.

Unless, therefore, you consider it advisable to make further investigations, the matter may be allowed to drop.

I am, &c.

E. GREY.

[23766]

No. 39.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, July 4, 1910.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 1st instant respecting the alleged trouble caused at the company's works in consequence of the action of the Bakhtiari guards.

As you do not consider it necessary to pursue the matter, there appears to Sir E. Grey to be no reason for His Majesty's Government to cause any further action to be taken with regard to it unless His Majesty's chargé d'affaires at Tehran should think that it ought to be investigated.

I am accordingly to inform you that a copy of your letter will be forwarded to Mr. Marling, to whom discretion will be given to act as he thinks best with regard to this question.

I have, &c.

W. LANGLEY.

[23583]

No. 40.

Sir Edward Grey to Mr. Marling.

(No. 206.)

(Telegraphic.) P.

Foreign Office, July 5, 1910.

CONVERSION of Russian Bank debts. Please see Sir A. Nicolson's telegram No. 193 of the 30th June.

What is the actual state of negotiations? Do you think it probable that they will be concluded in the near future?

[23571]

No. 41.

Sir Edward Grey to Mr. O'Beirne.

(No. 184. Confidential.)

Sir,

Foreign Office, July 5, 1910.

THE Russian Ambassador called on the 28th ultimo and stated that he had heard from the Russian Minister at Tehran that Messrs. Seligman were negotiating for a loan to the Persian Government, and that, as far as he could judge, this might be done upon conditions which would not be unfavourable either to Russian or British interests. Count Benckendorff impressed upon me, however, that this was only M. Poklewski's personal view.

I told his Excellency what had passed with Mr. Moore in this Office before he went to Tehran. His Majesty's Government were not encouraging any loan, and whatever was being done was being done quite independently of them. I had some time ago favoured the idea that the Persian Government might be supplied with money through the purchase by the British owners of an oil concession of the shares which the Persian Government held in that concession, for such an arrangement would not have impaired the securities of either the British or Russian Government in Persia, and it would have prevented the transfer to foreigners of the shares which the Persian Government held in a British concession. This was a matter which stood by itself; but even with regard to this, I had not done anything since the Persian Government had revived the proposal, which was apparently now again in suspense, of applying to the British and Russian Governments for a loan.

I am, &c.

E. GREY.

[24290]

No. 42.

Mr. Marling to Sir Edward Grey.—(Received July 6.)

(No. 275.)

(Telegraphic.) P.

Gulahak, July 6, 1910.

RUSSIAN troops at Kazvin.

In reply to your telegram No. 205 of the 4th July, I have the honour to report that I have already informed the Persian Government that the question of withdrawal lies in their own hands.

[23816]

No. 43.

Sir Edward Grey to Mr. Marling.

(No. 207.)

(Telegraphic.) P.

Foreign Office, July 6, 1910.

HORMUZ oxide. Please see your despatch No. 88, dated the 3rd June.

The note of the Persian Government is simply an assertion, and cannot be regarded as satisfactory proof that Muin's concession expired before signature of his contract with Messrs. Weir.

You should therefore inform Persian Government that unless they can satisfy us as to this we shall be forced to hold them responsible if British interests are in any way injured through their action in disregarding contract.

[23619]

No. 44.

Sir Edward Grey to Mr. Marling.

(No. 108.)

Sir,

Foreign Office, July 6, 1910.

I HAVE received Sir G. Barclay's despatch No. 207 of the 9th November last, relative to the further assurances which the Sheikh of Mohammerah desires to receive

from His Majesty's Government, and I transmit to you herewith copies of correspondence which has since passed between this department and the India Office on the subject.*

The wishes of the sheikh in this matter may be summarised as follows:—

1. He is anxious that the assurance already given to him and subsequently extended to his heirs and successors may be modified so as to apply to his male descendants.
2. He desires that the assurances given should be made to hold good for 100 years.
3. He desires an assurance of protection for his private property in Persia.
4. He desires an assurance of protection against molestation by foreign Powers and against any encroachment by such a Power on his jurisdiction, recognised rights or property in Persia.
5. He hopes that, if circumstances compel His Majesty's Government to assume control of the customs of the southern ports of Persia, including those of Mohammerah and Ahwaz, he will be left in immediate control of these two ports as at present.
6. He hopes that, if a general catastrophe in Persia compels His Majesty's Government to intervene in the southern part of that country, he and his tribesmen may be maintained in their present position or, if that is impossible, that he may retain his personal revenue and be granted an asylum in India or elsewhere.
7. He wishes the assurances given him to be embodied in a form which he can show to his tribesmen, to strengthen both their support of himself and their faith in the friendly policy of His Majesty's Government.

As regards (1), His Majesty's Government see no objection to compliance with the sheikh's wish, on condition that the assurances given shall only hold good so long as his male descendants not only fulfil their obligations to His Majesty's and the Persian Governments but remain acceptable to their tribesmen.

As regards (2) His Majesty's Government are of opinion that this concession should not be made, at any rate for the present.

As regards (3) His Majesty's Government see no objection to granting an assurance of the kind desired, subject to the condition laid down in the succeeding paragraph.

As regards (4) His Majesty's Government are willing to comply with the sheikh's wish on condition that the assurance is accompanied by a verbal explanation, to be recorded in writing, that they cannot bind themselves to forcible intervention on his behalf.

As regards (5) His Majesty's Government consider it undesirable to give such an assurance and prefer to confine themselves to general expressions of goodwill which should be conveyed to the sheikh when the assurances are given him.

As regards (6), the sheikh should be informed that the contingency foreseen is one which His Majesty's Government cannot contemplate, and should be referred to the text of the Anglo-Russian arrangement concerning Persia, whereby the two Powers have bound themselves to respect the independence and integrity of that country, and to the communication already made to him on the 1st December, 1908, in which this point is expressly dealt with.

As regards (7), His Majesty's Government see no objection to compliance with the sheikh's wishes.

As the considerations which have led to these conclusions are fully set forth in the enclosed correspondence, it is unnecessary to recapitulate them in this despatch.

I transmit to you herewith the text of the assurances as finally approved by His Majesty's Government, and I authorise you to forward them to His Majesty's consuls general at Bushire, with instructions to hold himself in readiness to convey them to the sheikh.

Colonel Cox should not, however, actually take this step till His Majesty's Government have had an opportunity of examining the sheikh's statement of his case against the Vali of Bussorah, which, as I understand from your telegram No. 251 of the 11th June, I may expect shortly to receive.

If this statement should appear to justify his Excellency's acts and his attitude towards the vali, you will be authorised by telegraph to instruct Colonel Cox to convey the assurances forthwith; but if not, the question will receive reconsideration.

I may add that, should the sheikh's statement appear satisfactory, a suitable

* To India Office, January 31; India Office, February 16; to ditto, March 31; India Office, April 13; to ditto, June 18; India Office, June 30, 1910.

opportunity will be taken of conferring on his Excellency the insignia of a K.C.I.E. in accordance with Colonel Cox's suggestion, a favour which cannot fail to be pleasing to him, and which will at the same time afford to His Majesty's Government, if necessary, a pretext for intervention on his behalf. In the meanwhile, however, no mention of this intended grant should be made to his Excellency.

I am, &c.

E. GREY.

Enclosure in No. 44.

Text of Assurances to be given to the Sheikh of Mohammerah.

"I AM authorised to inform your Excellency that whatever change may take place in the form of the Government of Persia, and whether it be Royalist or Nationalist, His Majesty's Government will be prepared to afford you the support necessary for obtaining a satisfactory solution in the event of any encroachment by the Persian Government on your jurisdiction and recognised rights or on your property in Persia.

"In like manner they will safeguard you to the best of their ability against an unprovoked attack by a foreign Power or against any encroachment by such a Power on your said jurisdiction and recognised rights or on your property in Persia."

(In giving these two assurances, Colonel Cox should add a verbal explanation to the effect that, while His Majesty's Government are perfectly sincere in their intentions towards the sheikh, and have therefore given him these assurances, yet circumstances might arise in which it would be impossible to intervene by force on his behalf. In such a case he would of course receive the strongest diplomatic support.

Colonel Cox should record in writing the substance of the conversation in the course of which this intimation is made to the sheikh.)

"These assurances are given for yourself, and are intended to extend to your male descendants so long as you and they shall not have failed to observe your obligations towards the Central Government and shall continue to be acceptable to your tribesmen, to be guided by the advice of His Majesty's Government, and to maintain an attitude satisfactory to them."

The text of the document handed to the sheikh for the information of his tribesmen would be precisely similar with the omission in the last paragraph of the words "to be acceptable to your tribesmen." It would also be unaccompanied by any verbal explanation.

[23775]

No. 45.

Sir Edward Grey to Baron Gericke.

Sir,

Foreign Office, July 6, 1910.

WITH reference to your conversation with Mr. Mallet on the 24th ultimo of which he apprised me, when you enquired as to the attitude of His Majesty's Government with regard to the granting of concessions to foreign Powers by the Persian Government, I take note of your assurance that the Netherland Government will not proceed in the matter of the Karun irrigation scheme without the concurrence of the Sheikh of Mohammerah and against the wishes of His Majesty's Government, and have the honour to inform you that His Majesty's Government would not object in principle to the participation of Dutch capital in the enterprise if the moment were opportune and if the company were British. His Majesty's Government hope that the Netherland Government will keep them fully informed of any new development in connection with the matter.

I am, &c.

E. GREY.

[24542]

No. 46.

Mr. Marling to Sir Edward Grey.—(Received July 7.)

(No. 276.)

(Telegraphic.) P.

Gulahek, July 7, 1910.

RUSSIAN Bank and Persian Government.

In reply to your telegram No. 206 of the 5th July, I have the honour to report that the Persian Government are considering various items, but are not discussing them with Russian Bank, although they are constantly applying both to Russian Legation and to bank for information.

They state that negotiations will shortly be commenced.

[24543]

No. 47.

Mr. Marling to Sir Edward Grey.—(Received July 7.)

(No. 277.)

(Telegraphic.) P.

Gulahek, July 7, 1910.

PLEASE refer to my despatch No. 94 of the 10th June: Karun irrigation.

I am informed by the Dutch Minister that a member of the Medjliss has approached him with a view to applying for concession on the Karun.

M. Oudendijk enquires whether His Majesty's Government would raise any objection, and states that the syndicate will be confined to English and Dutch, and that England shall supply at least half the capital. He is of opinion that concession will be more easily acquired if British participation is not communicated to Persian Government.

[24542]

No. 48.

Sir Edward Grey to Mr. O'Beirne.

(No. 374.)

(Telegraphic.) P.

Foreign Office, July 7, 1910.

FINANCIAL assistance to Persia.

Please see Mr. Marling's telegram No. 276 of to-day.

It would be disastrous to agree to the Russian Government's apparent desire to withhold financial assistance from the Persian Government till the completion of the negotiations for consolidating Persian Government's debts to the Russian Bank, as these will certainly take some time, and it is essential that the Persian Government should as soon as possible be in possession of the means of restoring order, especially as regards roads in south, and of putting the financial administration under better organisation.

It is not quite clear, moreover, how the negotiations for consolidation of debts to Russian Bank would be unfavourably affected by an advance, limited to the amount of the purchase of the oil shares, or why the Russians refuse to agree to the latter, till the negotiations with regard to the former be satisfactorily concluded.

You should point out these considerations to M. Isvolsky, and add that in view of them it seems hardly reasonable to oppose this scheme.

[23799]

No. 49.

Foreign Office to India Office.

Sir,

Foreign Office, July 7, 1910.

WITH reference to your letter of the 23rd ultimo respecting the issue of passports to Persian subjects proceeding to the island of Bahrein, I am directed by Secretary Sir E. Grey to transmit to you copies of telegraphic correspondence, as marked in the margin,* which has passed between this Office and His Majesty's chargé d'affaires at Tehran on the subject.

It will be observed that the political agent at Bahrein recommends that a certain

* Mr. Marling, Nos. 269 and 271, Telegraphic; to Mr. Marling, No. 202, Telegraphic.

Persian merchant, who *visés* the passports in question, should, for reasons which are explained, be expelled from the island, and that Mr. Marling supports this recommendation.

Subject to the concurrence of the Secretary of State for India, Sir E. Grey proposes to approve the course suggested, and to authorise Mr. Marling to inform the Persian Government of the action taken in the manner indicated.

I am, &c.

LOUIS MALLET.

[23683]

No. 50.

Foreign Office to Imperial Bank of Persia.

Sir,

Foreign Office, July 7, 1910.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 1st instant, enclosing the draft of a telegram to your chief manager in Tehran respecting the supply of arms and ammunition to the Persian Government.

I am to state that, as your messenger was verbally informed when he left the letter, Sir E. Grey approves the terms of the telegram in question, and to express to the bank his thanks for the attitude which they have taken in this matter.

I am, &c.

LOUIS MALLET.

[25563]

No. 51.

Note communicated by Count Benckendorff, July 8, 1910.

EN plus des deux cas d'enlèvement de femmes chrétiennes, dont l'une n'a pas encore été rendue, les chefs kurdes Temirbeck, Mirmamed, et Radobeck, qui ont donné le "dekhaet" aux Turcs, ont attaqué le village de Senger.

Cette attaque eut lieu après une entrevue des chefs nommés avec le consul de Turquie à Ourmiab, et le siège du village a été levé, d'après toute apparence, à la demande de ce consul.

En dehors de ces faits principaux il y a une série de persécutions moindres contre les chrétiens et d'exactions qui peuvent aisément être établies sur les lieux.

Il paraît certain qu'en incitant systématiquement les Kurdes à ces excès, les Turcs visent à réduire les populations à l'extrémité pour obtenir le "dekhaet."

*Ambassade Impériale de Russie, Londres,
le 8 juillet, 1910.*

[24654]

No. 52.

Messrs. M. Samuel and Co. to Foreign Office.—(Received July 8.)

(Private and Confidential.)

*Shell House, 104 and 105, Bishopsgate Street Within,
London, July 7, 1910.*

Sir,

WE beg to refer to the letter which you wrote us on the 12th March, owing to the contents of which we informed you that we would not at the moment undertake any financial business for the Persian Government. In view of what you were good enough to tell us at the interview which we had with you concerning the financial situation in Persia, and of the statement in your letter of the 12th March, that the securities offered by the Persians were already pledged to other parties, we feel it is only right that we should tell you that we have received information to the effect that the firm of Messrs. Seligmann Brothers is stated now to be represented at Tehran with a view to securing the very business about which we wrote and saw you, and, further, that they are stated to be working on behalf of the Deutsche Bank. This information we can in no sense state to be genuine, though we have no reason to doubt the credibility of our informant, and we only pass it on to you in a strictly private and confidential manner, as matter which you might desire to verify for yourself in the event of your not having any authentic information.

We should be glad to know whether it is still the view of the Foreign Office that no British firm could receive their support in carrying out such a project as we laid before you in March, and whether we are right in assuming that the Foreign Office could take no step to prevent the business being carried through by a firm representing foreign interests.

We remain, &c.
M. SAMUEL AND Co.

[24672]

No. 53.

Mr. Marling to Sir Edward Grey.—(Received July 8.)

(No. 278.)

(Telegraphic.) P.

Gulahck, July 8, 1910.

HORMUZ oxide.

In reply to your telegram No. 207 of the 6th July, I have the honour to report that Strick's agent in Tehran now informs me, in contradiction of his previous statement (see my despatch No. 72 of the 14th May), that the formal contract is still unsigned. There appears to be no desire on the part of the Persian Government to withdraw from the contract, and even if they did wish to repudiate it, Strick's position would be perfectly secured by Persian Government's note to me of the 1st June, and by the fact that caution money has been paid. As caveat might, however, delay signature, I hesitate to send one in.

Strick's agent learns that the fact of the lapse of Muin's concession in 1905 will shortly be communicated to me officially by Persian Government.

In the meanwhile, shall I delay action?

[24678]

No. 54.

Mr. Marling to Sir Edward Grey.—(Received July 8.)

(No. 279.)

(Telegraphic.) P.

Gulahck, July 8, 1910.

I HAVE the honour to report that the president and vice-presidents of Medjliss resigned yesterday. Fall of Ministry will probably follow.

[24679]

No. 55.

Mr. Marling to Sir Edward Grey.—(Received July 8.)

(No. 280.)

(Telegraphic.) P.

Gulahck, July 8, 1910.

ADVANCE to Persian Government.

With reference to your telegram No. 374 of the 7th July to Mr. O'Beirne.

I have the honour to report that on the 30th June Mr. Preece, with the consent of M. Poklewski, approached the Persian Government with proposal for advance, but Minister of Finance informed him that the Government could not accept his terms. The overtures made by Messrs. Moore and Osborne are undoubtedly the cause of this reply.

With regard to the stipulation made by the Russian Government that the consolidation of the Persian Government's debts to the Banque d'Escompte de Perse should be concluded first, I would point out that, as the security provided by the northern customs is barely sufficient, collateral security is required, and Russian Government do not naturally desire to see suitable security diverted to other directions. Since the oil shares at present pay no dividend, they necessarily fall within the category of collateral security for the advance proposed by Lord Stratheona. A lien on some existing revenue would therefore be required by the group.

[24680]

No. 56.

Mr. Marling to Sir Edward Grey.—(Received July 8.)

(No. 281.)

(Telegraphic.) P.

Gulahck, July 8, 1910.

THERE has been a notable increase of insecurity lately on the main roads, and Kashgai robbers are terrorising the environs of Ispahan. As no effect has been produced by the strongly-worded representations which I have addressed to the Persian Government, I sent Abbas Kuli Khan yesterday to inform the Council of Ministers that the situation was becoming intolerable to His Majesty's Government. Sardar Assad at once replied that the Government could but anticipate that we should take military action: our forbearance in not having sent troops before had been gratefully appreciated by Persia; and the Government would take energetic measures to restore order in Fars and elsewhere as it had now done in the north.

Abbas Kuli Khan's strong but not threatening language was very well received, and I believe that some effort will be made to re-establish order in the country.

[22779]

No. 57.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, July 8, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 24th ultimo relative to the shipment of red oxide from the island of Hormuz.

In this letter you make certain complaints of the action of His Majesty's Government in refraining, since the month of April last, when they learnt that the Persian Government had declared that the concession held by Muin-ut-Tujjar to work the mines had lapsed, from insisting on the exclusive right of Messrs. Andrew Weir and Co. to ship oxide from the island which you claim on their behalf in virtue of the contract signed by them with your firm, acting as Muin's representatives, on the 4th December, 1908. You further request a continuance of the support given you by His Majesty's Government up to the time of the declaration of the Persian Government above referred to, and you submit statements showing the amount of the loss incurred by Messrs. Weir and yourselves owing to the breach of the contract in question.

It is clear to Sir E. Grey that the contentions advanced in your letter are based on a misapprehension of the facts of the case, and he feels sure that when once these are fully known to you, you will recognise that the attitude adopted by His Majesty's Government, of which you now complain, was forced on them by the circumstances, and that they had absolutely no ground for taking the steps which you repeatedly urged on them.

These facts, which have been familiar to His Majesty's Government in their main outlines for some time past through the telegraphic reports of His Majesty's chargé d'affaires at Tehran, have only lately become known to them in detail through a despatch but recently received from him.

The information contained in this despatch was communicated to Mr. Marling by Vekil-ul-Roaya, the deputy for Hamadan, who, in consequence of his high reputation for integrity, capacity, and patriotism, was entrusted by the competent committee of the Medjliss with the investigation of Muin-ut-Tujjar's alleged rights to the concession, on which was based the contract of the 4th December, 1908.

The facts of the case are as follows:—

The original lease for the oxide deposits at Hormuz and elsewhere was granted to Malik-ut-Tujjar in 1896, and was for a period of ten years. Malik-ut-Tujjar died a year later, and it was then disposed of by his heirs to Muin-ut-Tujjar, who, however, only made good his title in 1901 after protracted litigation with Messrs. Malcolm, of Beshire, who had some kind of claim to it.

In 1904, rather more than a year before the original concession expired, Muin obtained a second firman from the Shah, and this is the document which he showed to Abbas Kuli Khan, the Oriental secretary of His Majesty's Legation, in 1907, as granting the concession in perpetuity.

Vekil-ul-Roaya, however, now explains that this second firman did no more than

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P

alter some and confirm others of the provisions of the original firman granted to Malik-ut-Tujjar in 1896, but did not extend it, and that the best proof of this view is precisely that no period is fixed for the lease.

Mr. Marling thinks that Vekil-ul-Roaya's contention is right, for at all events an examination of the document in question (which, like all such Persian instruments, is very loosely worded), in the light of subsequent knowledge of an earlier unexpired concession, bears out his reading of it at least as well as that of Muin-ut-Tujjar.

That Abbas Kuli Khan should have been misled is not surprising. As has been said, the paper is loosely worded; he had the greatest difficulty in persuading Muin-ut-Tujjar to allow him even to see it, and the latter entirely declined to permit him to take a copy of it, his unwillingness probably arising from the fear that careful study of it would reveal the flaw and lead to the conjecture of an earlier firman, the production of which he could not avoid, and which would have revealed the fact that the concession had at that time expired. At that moment, when, it must be remembered, Messrs. Malcolm, of Bushire, professed their ability to obtain the concession, it was obviously of vital importance to Muin to keep such information from the knowledge of the legation, who were giving him a measure of unofficial support in the hope that he would carry out his proposal to your firm for the formation of an English company to work the oxide and so debar the trade from falling into German hands, but who, if aware that his concession had expired, would of course have had no further interest in him.

Vekil-ul-Roaya assured Mr. Marling that the whole question had been thoroughly thrashed out by his committee; that Muin-ut-Tujjar had admitted the facts given above, and although he asserted that he possessed another document which would fully establish his rights he had declined to exhibit it, as he said it contained something which, if it became public, would ruin him. Muin had, indeed, produced what professed to be a copy of the alleged firman, but that paper was obviously worthless, and the inference was that the signatures were forged. Muin had consequently been informed that he had no further rights at Hormuz and the other places mentioned in the firman, since the original concession lapsed in 1906.

Mr. Marling adds that this account is in general confirmed by M. Mornard, the Administrator of the Customs, who has had some acquaintance with the question for some time past.

At the conclusion of the interview at which Vekil-ul-Roaya gave Mr. Marling this information, the latter told him that he must have more official knowledge of the decision of the committee that Muin's concession had lapsed in 1906 before he could take cognisance of it, and Vekil then promised that the Minister for Foreign Affairs should address to the legation an official note stating the facts, and that the decision had been arrived at by a legally constituted authority. He asked whether in those circumstances Mr. Marling would consider that the Persian Government would be relieved of responsibility towards Messrs. Weir for the violation of their exclusive contract with Muin-ut-Tujjar by the sale of oxide to Messrs. Strick. Mr. Marling said that, speaking as a layman, he thought that they would be so relieved, except in so far as the Government were responsible for allowing Muin to continue to work oxide after 1906, and so induce Messrs. A. Weir to believe that he still possessed rights. Vekil-ul-Roaya explained this by saying that the original concession had lapsed just at the time when the first great constitutional movement began, and that since then the Government had been in such a state of confusion that Muin had been able by intimidation or bribery to shut the mouths of the comparatively few persons who knew the real facts. (Mr. Marling here observes that, from his own experience of Muin's methods, he can quite believe that the explanation is a perfectly correct one.)

Muin-ut-Tujjar came to the legation on the same day as Vekil-ul-Roaya as well as twice subsequently, but, though he repeatedly asserted that he had documents to prove his rights, he declined to produce them. He was told that the legation had no wish to injure his interests, but was obliged to act in accordance with the balance of evidence, which appeared to be against him, but, if he would produce proofs and not mere assertions, due weight would be given to them. This Muin has so far failed to do.

A perusal of the above facts will, Sir E. Grey feels sure, convince you that His Majesty's Government were not and are not in a position to insist that the Persian Government should respect the terms of a contract based on a concession which, from all the evidence available, appears to have lapsed at an earlier date.

The utmost that they were justified in doing, and this they have done, was to warn the Persian Government of the responsibility which they would incur for any damage which British interests might sustain by illegal action on their part, and from the

attitude indicated by that warning His Majesty's Government have not, and have never had, any intention of departing.

The present situation may, therefore, be resumed as follows:—

There is as yet no absolutely conclusive evidence to show whether the contention of the Persian Government or that of Muin is valid, but the balance of evidence is distinctly in favour of the former, since Muin consistently refuses to produce the documents by which, as he asserts, he could establish his rights, and thus declines to take the step by which, if he is telling the truth, the controversy could at once be ended in his favour.

It will be plain to you that, while the validity of Muin's concession at this moment remains in doubt, His Majesty's Government have no ground for insisting that the Persian Government should respect a contract entirely based on the assumption that that concession was granted in perpetuity. They can, therefore, do no more than demand that British interests should not be injured.

In the event, should the Persian Government turn out to be justified in their action, the claim of Messrs. Weir will lie against Muin, while, if the latter can prove his case (in Sir E. Grey's opinion a far less probable contingency), they will have a valid cause of complaint against the Persian Government.

In either case, they may rest assured of the fullest measure of diplomatic support which His Majesty's Government can properly afford them.

In view of the turn which events have taken, it is a matter of regret to Sir E. Grey that he should have been led to assert his belief in the perpetuity of Muin's concession, even in the qualified manner recorded in Mr. Mallet's letter of the 18th January, 1908, but it will be conceded that, in the absence of any indication of the existence of a previous firman, there was at that time no reason to doubt its genuine character.

I am, &c.

W. LANGLEY.

[24762]

No. 58.

India Office to Foreign Office.—(Received July 9.)

Sir,

India Office, July 8, 1910.

IN reply to your letter, dated the 16th June, 1910, as to the affray that took place on the 15th April last during the journey of Mr. J. H. Bill to Ispahan, I am directed to enclose, for the information of the Secretary of State for Foreign Affairs, copy of a despatch addressed to the Government of India regarding the conduct of Mr. Bill and of the sowars who accompanied him.

The Secretary of State for India further concurs in the instructions that it is proposed to give to His Majesty's chargé d'affaires at Tehran as regards the bestowal of rewards on the Vakilbashi and Persian Cossacks who were present. He is, however, as at present advised, unable to support the proposal that "man-stopping" (by which is presumably meant soft-nosed) bullets should be supplied to the consular escorts.

I have, &c.

R. RITCHIE.

Enclosure in No. 58.

Viscount Morley to Government of India.

(Secret.)

My Lord,

India Office, July 8, 1910.

I ENCLOSE, for the consideration of your Excellency's Government, copy of correspondence with the Foreign Office regarding the affray that took place on the 15th April last during the journey to Ispahan of Mr. J. H. Bill, who was recently acting as British Consul at Shiraz.

2. While regretting that necessity should have arisen for an officer of your Excellency's Political Department to play an active part in an incident of this kind, I agree in the view of the Secretary of State for Foreign Affairs that the course adopted by Mr. Bill in forestalling the onset of his assailants, after shots had been fired by them, was justified in the circumstances and should be approved, and in other respects he seems to have acted with courage and decision. I request that, if you see no objection, Mr. Bill may be informed in the sense of these remarks. You are authorised, if you

think fit, to accede to his request that the period occupied by his journey should be reckoned as service, and not as leave.

3. I would further draw your attention, for such recognition as may be suitable, to the conduct of the sowars who accompanied Mr. Bill.

4. You will doubtless take note of the proposal that "man-stopping" bullets should be supplied to the consular escorts, but I am, as at present advised, unable to give it support.

I have, &c.

MORLEY OF BLACKBURN.

[24776]

No. 59.

Anglo-Persian Oil Company to Foreign Office.—(Received July 9.)

*Winchester House, Old Broad Street, London,
July 8, 1910.*

Dear Sir,

REFERRING to my letter of the 5th April last, I have to report that the permission to put the three barges on the Upper Karun has not yet been granted by the Persian Government, and my board will be much obliged if you can, through His Majesty's representative at Tehran, give us some assistance in the matter, as our work in the meantime is being seriously impeded owing to the insufficiency of transport facilities on the upper river.

The position is as follows:—

At the time that permission to place our launch on the upper river was obtained we had under charter to us for a limited period some barges belonging to the Muin-ut-Tujjar, but we were told that we could not have the use of them after the 15th June.

These barges have since 15th June been withdrawn by the Muin for use in connection with the grain trade, and temporarily we are hiring from him two very old barges, which are in very bad repair, and are quite insufficient for our transport requirements. The three new barges we sent out have just arrived, and in order that we may proceed with our work expeditiously we are desirous of placing them on the upper river at the earliest possible moment, but our agents in Persia advise us that permission has not yet been granted, presumably owing to opposition on the part of the Muin.

The matter is a very serious one, inasmuch as our pipe-line contractors have a staff of some thirty-seven Europeans, besides a large number of natives, on the spot in readiness to carry out the work of laying and screwing the pipes, and meantime, owing to the delay in getting our material *in situ*, this staff is to a large extent being kept idle. We have had several urgent telegrams from our agents and contractors on the subject, and my board will very much appreciate any assistance you can kindly give in the matter.

I have, &c.

C. GREENWAY,

Managing Director.

[24829]

No. 60.

Mr. O'Beirne to Sir Edward Grey.—(Received July 9.)

(No. 201.)

(Telegraphic.) P.

St. Petersburg, July 9, 1910.

TIMBER contract on Persian shore of Caspian Sea.

Your despatch No. 159A of the 27th May.

No objection is entertained by the Russian Government to proposed transfer of contract to a British company.

[23815]

No. 61.

Sir Edward Grey to Mr. Marling.

(No. 111.)

Sir,

Foreign Office, July 9, 1910.

I HAVE received your despatch No. 84 of the 28th May relative to the lease of land near Dizful by Agha Abbas Tariverdieff.

I authorise you to act in the manner suggested in the penultimate paragraph of that despatch.

I am, &c.

E. GREY.

[23862]

No. 62.

Sir Edward Grey to Mr. O'Beirne.

(No. 194.)

Sir,

Foreign Office, July 9, 1910.

I HAVE received your despatch No. 284 of the 21st ultimo reporting a conversation with the Russian Minister for Foreign Affairs on the subject of the negotiations with Germany respecting Persia.

I approve your language to M. Isvolsky; and I have to inform you that Count Benckendorff is correct in saying that His Majesty's Government would prefer that any negotiations carried on by Great Britain and Russia with Germany on this subject should be parallel rather than joint. It is, however, not necessary for you to allude to the matter with M. Isvolsky unless his Excellency mentions it again.

I have, &c.

E. GREY.

[24831]

No. 63.

Mr. Marling to Sir Edward Grey.—(Received July 10.)

(No. 282.)

(Telegraphic.) P.

Gulahak, July 10, 1910.

IN continuation of my immediately preceding telegram, I have the honour to report that situation in Ispahan is described as disquieting by His Majesty's consul-general. Mr. Grahame reports that Kashgais and Baktiaris are looting the Ahwaz road, and that some 200 to 300 of the former tribesmen are in Ispahan itself, where they outnumber the force at the disposal of the Governor-General, who is powerless to repress them. One hundred of Governor-General's men are under orders to leave for Kumisheh whither, it is stated, he himself will go to interview Soulet-ed-Dowleh. His Majesty's consul-general does not, however, state the purpose of this interview.

I have made further pressing representations to Persian Government holding them responsible for safety of British subjects in the town.

[25031]

No. 64.

Consul-General Cox to Sir Edward Grey.—(Received July 11.)

(No. 2. Confidential.)

Sir,

Bushire, June 16, 1910.

IN accordance with instructions received from His Majesty's chargé d'affaires, Tehran, I have the honour to submit direct, for your information, a copy of my despatch No. 40/1607, dated the 16th June, 1910, to his address, giving cover to a communication, with enclosures, received from Lieutenant Wilson, His Majesty's acting consul, Mohammerah, in which he presents the sheikh's rejoinder to the charges made against him by the Bussorah authorities, and adds a memorandum of his own.

I have, &c.

P. Z. COX, Lieutenant-Colonel,

His Majesty's Consul-General for Fars, &c.

Enclosure 1 in No. 64.

Consul-General Cox to Mr. Marling.

(No. 40/1607.)

Sir,

Bushire, June 16, 1910.

IN continuation of the telegraphic correspondence, I have the honour to submit, for your information, a copy of a communication (with enclosures and my telegrams leading up to it) addressed to me by Lieutenant A. T. Wilson, His Majesty's acting consul at Mohammerah, in which, after personal communication with the sheikh on the latter's return from the Karun, he presents the sheikh's rejoinder to the Turkish allegations both particular and general.

2. Before offering any observations on the contents of the report, I beg to touch upon certain salient points of the recent correspondence and negotiations.

(i.) *The Basis of my own Attitude.*

The first news I had of their being anything wrong between the Sheikh and the Vali of Bussorah was contained in Lieutenant Wilson's telegram No. 404, received the 26th April, in which the latter reported the fact that Zain had been shelled by the "Marmaris." When I telegraphed to you on the 30th asking that His Majesty's consul, Bussorah, might be instructed to co-operate with Lieutenant Wilson in bringing about an amicable settlement, it was only the bombardment of Zain that I had knowledge of, and the amicable settlement which I advocated in regard to that incident was naturally meant to be one which would have regard to the sheikh's rights and interests, as well as those of the vali.

It was not till later that I received news of the shelling of the sheikh's mother's house, of the death of one of his wives from the shock of the bombardment, of the issue of the offensive circular of the 24th April, and of the dispatch of the two letters to the Persian consulate-general threatening measures against Mohammerah itself. In my eyes these additional items of news, and the possible further Turkish measures adumbrated by Mr. Crow, enhanced the hostile aspect of the vali's proceedings and the seriousness of the position to an extent which made an amicable local settlement not only unlikely but also insufficient to meet the case, unless accompanied by a change of valis.

Accordingly, both on the sheikh's account and in our own interests, to which the tranquillity of the river at this season is a condition of the highest commercial importance, as His Majesty's consul, Bussorah, fully recognises,* I recommended the dispatch of one of His Majesty's ships to the scene, and efforts to bring about the recall of the vali. These recommendations, however, you felt unable to endorse, for the reasons stated in your telegrams Nos. 107, 112, and 116, and the incident has since been disposed of on other lines.

(ii.) *The question as to whether the Proceedings of Vali Suleiman Nazif Bey had justification or not.*

I submit that, in order to arrive at a conclusion on this point, it is not necessary or logical to look back further than the time of Nazif Bey's assumption of his appointment at the end of 1909 or beginning of 1910; not necessary, really, to go back further than the 10th March, 1910, the date of Mr. Crow's despatch No. 14 to His Majesty's Embassy. In the earlier part of this document we are told of the cordial foregathering of the vali with the Sheikhs of Koweit and Mohammerah at the house of Abdul Wahab Pasha-el-Kurtass, and the banquet, speeches, and photographs which followed; and, while it may be quite true that the host, when delivering his post-prandial pleasantries on this occasion, was speaking with his tongue in his cheek, as Mr. Crow suggests—just as I fear he was when he expressed the valued opinion, quoted in Bussorah telegram of the 9th instant to His Majesty's Ambassador, to the effect that the breach between the sheikh and the vali was healed—yet the contents of the last two paragraphs of the despatch are open to no such imputation of insincerity. In them we have an explicit statement from His Majesty's consul at Bussorah to the effect that there had been no disturbance of importance on the river during the preceding winter; that Sheikh Khazal had quite recently been exercising his good offices in the endeavour to promote a reconciliation between an important riverain Turkish Arab chief and the vali; that the sheikh had in fact been maintaining a generally conciliatory and

* Bussorah despatch No. 36 of May 8, 1907, to His Majesty's Embassy.

co-operative attitude towards Nazif Bey ever since the latter's arrival; and that in pursuit of this policy he had endured with complacency the intermittent destruction of his house property in Bussorah.

I may mention, too, apart from the above, that I was made aware by the reports of His Majesty's consul at Mohammerah that the sheikh had also been endeavouring to promote friendly relations between Nazif Bey and the Vali of Pusht-i-Kuh.

This was the general position as between the sheikh and the vali when I rejoined my post from home on the 31st March, and it appeared to me an eminently satisfactory one. It was the same when I visited Mohammerah a week later. It seems to me therefore that, having regard to the happy terms which admittedly existed between the sheikh and the vali when Mr. Crow wrote his despatch of the 10th March, all that we have to do in order to gauge the morality of the vali's action is to decide whether subsequent to that date Sheikh Khazal was guilty of conduct which supplied the vali with justification for such a sudden and complete change of attitude; for his discourteous refusal to receive the sheikh when the latter went up to Bussorah to visit him on the 18th April; for the promulgation of his offensive circular of the 24th April; and, finally, for the bombardment of Zain on the 25th. It seems to me that no such justification has yet been demonstrated.

In a recent telegram from His Majesty's Secretary of State dated the 31st May, repeated to me by the Government of India, occurs the following passage:—

"The telegram sent by Cox to legation in answer to Mr. Marling's telegram No. 133 treats the rights and wrongs of the accusations against the sheikh as of no account; but it is not possible to maintain this attitude."

I think the telegram referred to must be my No. 543, sent in answer to your No. 123 to me. In it I wrote that my attitude towards the action of the vali would be the same if the accusations against the sheikh were well founded. If read by itself, the sentence does convey the meaning above attributed to it, but I think the full context indicates that it was not quite that attitude which I sought to take up. My telegram to you was a reply to Bussorah telegrams repeated by His Majesty's Embassy to London and to you, in which Mr. Crow had stated that Turkish grievances against the sheikh were of long standing and serious, and that to his knowledge the sheikh had been a thorn in the flesh of the vilayet for the last seven years. It was those accusations, of the basis of which I had not full knowledge, which I had in mind when I wrote the said telegram to you, and my line of thought was that, even if they were proved to be well founded, it could not be said that they had anything to do with the vali's action in the present instance, which was a separate issue based on incidents subsequent to the date of Bussorah despatch No. 14 of the 10th March, which, so far as could be seen from the reports of our officers, afforded no justification for the vali's sudden change of attitude towards the sheikh. In fact, the unjustifiability of the vali's proceedings, on the facts of which we were in possession, was a necessary premise to my attitude both in this telegram and in my later No. 569.

(iii.) *The expediency of effecting Nazif Bey's recall.*

As to the degree of difficulty involved to His Majesty's Embassy or Government in advising or urging the Porte to change a particular vali, I quite recognise that you had full personal knowledge while I have none. I could only urge reasons which, from a local standpoint, seemed to me to demonstrate the expediency of the course advocated, both on the sheikh's account and in our own interests. On the sheikh's account because, on the information before me, whether from Bussorah or Mohammerah the aggression of the vali seemed deliberate and uncalled-for, and because, human nature being what it is, it was not conceivable to me that after what had happened his relations with Nazif Bey could ever again be sincere or satisfactory.

In our own interests because, apart from the general tendency with which he credits most Turkish officials of the new régime, Mr. Crow had described Nazif Bey as being personally impetuous, inexperienced as a governor, and most undiplomatic; and also because in the short time during which the latter held office he had displayed an attitude of mind actively and specifically opposed to our interests and policy at the head of the Gulf, as the following instances will demonstrate:—

(a.) *As regards Koweit and Mohammerah.*—Both publicly and privately Nazif Bey has declined to admit any right on the part of our consulate at Bussorah to discuss

with him matters concerning either port, and he is reported to have expressed publicly, on several occasions, his resentment at British interference in Koweit affairs in the past and his determination not to put up with it in future. We further know from independent sources that he has been making overtures to the Sheikh of Koweit in order to induce him to admit a Turkish telegraph-office in Koweit connected by land-line with Bussorah or Fao; and, on another occasion, to allow Koweit subjects to be enlisted in the Hasi gendarmerie.

(b.) *As regards Bahrein.*—Although instructed from Constantinople not to protest actively against our assertion of protective rights over the principality, speaking for himself, Nazif Bey "emphatically stated that he could not admit that the British Government had any rights of supremacy over Bahrein" (*vide* enclosure to embassy despatch No. 6980, dated the 28th February, 1910, to His Majesty's Foreign Office).

(c.) *As regards Baluchistan.*—I have it from His Majesty's consul, Mohammerah, that a few days after taking up his post Nazif Bey issued a notification in Bussorah to the effect that Baluchistan being an independent state, the pretensions of foreign Powers to protect Baluchis would under no circumstances be recognised, and that they would be treated as Turkish subjects. Mr. Wilson understands that this question is under reference to His Majesty's Embassy.

It is true that a new vali might have been equally aggressive, equally inclined perhaps to pursue a policy opposed to our interests, but I think the probability rather is that he would have been less assertive, while it is hardly possible that he could have been more so.

I find it difficult to understand Mr. Crow's view that the recall of the vali would endanger the security of the river. Sheikh Khazal has been entirely amenable to our advice and guidance throughout his recent troubles with the vali, and but for that fact the vali's action at Zain would certainly have been followed by a rising of Arabs and consequent insecurity on the river. Had the present vali been replaced at our instance by a less aggressive man, the sheikh would have recognised the value of our mediation, and would have had no interest of his own to serve, still less excuse to give us, for disregarding our guidance and lending his ear to the overtures which he received from the restless Arab element on the river. It will be noted from Lieutenant Wilson's report that these were by no means lacking.

(iv.) *The question of Policy involved.*

His Majesty's Government have had difficulty in forming a definite opinion on the actual situation owing to the fact that the views of His Majesty's consul, Bussorah, and myself, on the subject, were opposed.

His Majesty's consul, Bussorah, is accredited to a Turkish port, dwelling in a Turkish atmosphere and hearing only Turkish reports and the Turkish side of the question, while His Majesty's consul at Mohammerah and I perhaps only see from the Persian point of view and only hear the Persian version. We are all equally entitled to be anxious that the interests of the country to which we are accredited should not be overlooked, but I submit that a quarrel like the present cannot be regarded purely as an isolated Turko-Persian incident, and no consideration be given to its bearing on British interests and British policy; and that in regard to the latter such a wide divergency of opinion as would appear to exist among us should not be possible.

I think I am right in believing that, under the present conditions of general international politics, our strongest interests in the Gulf are now focussed at the head of it, and that our chief interests in Persia lie in Mohammerah territory and Arabistan. I have in the course of some years' work in the Gulf arrived at a fairly clear personal conception of what the policy of His Majesty's Government is in regard to this region, and it is at any rate one which has had the vindication of success in the direction of commercial progress and advantage, which is the main object of any policy. I must confess that I cannot see how the attitude evidenced in Mr. Crow's letter No. 46 or in his telegrams repeated by His Majesty's Embassy to the Foreign Office under their Nos. 94 and 95 can be regarded as in harmony with it. Even if he were convinced that the Sheikh of Mohammerah had by his conduct richly deserved the hostility of the vali, I submit that the British interests and position affected would have been better served by his conferring at an earlier stage with our representative in Mohammerah, by urging us to use influence with the sheikh and by doing his utmost to restrain the vali in the meanwhile, rather than by adopting the attitude he did, especially after his cordial testimony of the 10th March to the sheikh's conciliatory behaviour; and in view of the

fact that the proceedings of the vali, which he approved, must seriously affect or react in the jurisdiction of a fellow consul as well as his own. That the vali should possibly go through with his arbitrary action by attacking Failieh or other means, and that His Majesty's consul should ask the British Embassy at Constantinople to press for him to be well equipped for the purpose, might serve purely Turkish interests and might, if Mr. Crow is correct in his belief, be salutary for the Sheikh of Mohammerah, but encouragement to such a policy seems to me altogether to disregard British interests in Mohammerah territory and the British position at the head of the Gulf, both of which are inevitably affected, and both of which it is the function of us all to safeguard and promote.

3. I am now brought to the sheikh's reply, to the particular accusations of recent date quoted by the vali as the causes of his hostile action, and to the general accusations of the Bussorah authorities and Mr. Crow with reference to years past.

It has added to the difficulties of the recent situation that the sheikh himself was away, out of personal touch with His Majesty's consul, Mohammerah, or myself, and that in his absence his interests had to reckon with an apparently heavy accumulative record of grievances recorded against him in the archives of His Majesty's Embassy, necessarily based on information from Turkish sources, and, as far as he is concerned, *ex parte*. I must be pardoned for exhibiting some anxiety lest the merits of his case should suffer in his absence from this cause. It was from an analogous anxiety, and because I realised the weak position in which Haji Rais found himself when he proceeded to Bussorah, that I was slow to take for granted that the one-sided solution which he had provisionally to accept at the hands of the acting vali would be acquiesced in by the sheikh.

Sheikh Khazal has now returned and had an opportunity of stating his own case, and I can best leave Lieutenant Wilson's record of it to speak for itself. In any case in the matter of detail I can add nothing.

In regard to the incidents of recent occurrence, the sheikh's replies seem to be satisfactory and to confirm the view that the vali had no real justification for his action. In regard to the events of past years, Sheikh Khazal lays no claim to complete blamelessness, nor has it been claimed for him. As you are aware, so far as his own territory is concerned, he has been a considerably more enlightened ruler than his predecessors, and during the chaotic times of the last few years his districts have been the most secure and best governed in Persia. As ruler of a border province and as an Arab landholder in Turkish territory he has always had a very difficult part to play *vis à vis* the Turkish authorities at Bussorah, and left entirely to his own devices by the central Government, has had to protect his own interests and those of his tribesmen in the best way he could. It has been in the main a matter of self-preservation, and I do not think that the description of the position given in paragraph 17 of Lieutenant Wilson's letter is an overstatement of the straits to which he has at times been reduced, and for which the rottenness of the provincial Turkish administration has been directly responsible. I quite agree that as the Porte under the new régime reforms her administration in the Bussorah vilayet, so must the Sheikh of Mohammerah modernise his ideas of border relations, and I believe he will do so under our friendly influence and guidance. On the other hand hasty and aggressive methods such as those pursued by Vali Nazif Bey (if in reality his action can be looked upon merely as the vagary of an impetuous administrative official) are only calculated to defeat their own object. But can the vali's proceedings be considered in the above light at all? The river generally was perfectly quiet at the time of the Zain incident and had been for a long period before, and the measures taken by Nazif Bey were not in the least necessary for the attainment of his professed object, the maintenance of order in the Bussorah vilayet.

It seems much more probable that, except as a pretext, riverain affairs had nothing to do with the vali's proceedings, and that the real motive for them is rather to be sought in the fact, suggested by His Majesty's consul, Bussorah, some weeks before the present difficulty arose, that the Turkish authorities "would not be sorry for an excuse to cause trouble to Persia weak and disorganised as she is"; a view to which the concluding sentence of telegram No. 71 from His Majesty's Ambassador at Constantinople to the Foreign Office affords some corroboration.

The position is not difficult to understand. The Turks have been able to encroach successfully on Persian territory on the northern portion of the frontier. At the southern end they have been powerless to do anything of the sort; firstly, because the Sheikh of Mohammerah can manage the Arabs in his own territory, and, secondly, because as an Arab he has strong influence also with the Turkish Arabs living

near the frontier, from whom the Turks would consequently get little sympathy or assistance.

Thus, from one side of the border we see that the power of the Sheikh of Mohammerah and his ability to look after himself constitutes the only bulwark on which Persia can rely to preserve her from Turkish encroachment on her south-west frontier; while from the other side we find that he (with the Sheikh of Koweit indirectly) is the only obstacle to the furtherance of Turkish designs or national policy in the same region. The Porte has thus a patent motive for seeking to attenuate the sheikh's power and detach his Arab adherents from him, and the simplest means of effecting that object is for them to make things unpleasant for the Arab tribesmen living near the frontier and endeavour to show them, now that they (the Turks) have some force at their command that the sheikh can no longer hold them in their difficulties, as of old.

The Porte could hardly have selected a better opportunity for giving practical expression to this policy than the present occasion. Nazim Pasha had just arrived at Bagdad with large powers and a flourish of trumpets. At Bussorah they had recently replaced an Arab governor by an assertive "Young Turk." Their gun-boat "Marmaris" was in working trim.

In the other camp the juncture found Sheikh Khazal in bad odour with a Cabinet at Tehran dominated by a Bakhtiari chief also anxious both for personal and tribal reasons to harm the sheikh and reduce his power. It was even suggested, you will remember, that the Persian Government or Medjliss had been previously approached and squared before the attack on the sheikh's village took place.

Lastly, the instrument selected by the vali was an excellent one for the purpose, owing to his personal importance as a tribal leader and to his close relations with Sheikh Khazal. The vali must have known very well that he could not expect such a man to submit to arrest by a handful of gendarmes; just as he knew well enough that it was not possible for the sheikh to hand over his own tribal elder and brother-in-law to the Bussorah police. This mere fact no doubt supplied the necessary pretext for the use of the "Marmaris."

The vali's own behaviour since the incident is quite in harmony with the above theory. He was cordially welcomed by Nazim Pasha at Bagdad, and so far from proving amenable to any influence or persuasion applied by Mr. Crow in order to induce him to express regret to the sheikh he almost indignantly rejected his overtures and refused to entertain at all the question of personal amends on the ground that he had only acted under instructions and there had been nothing personal in the matter.

But whether the Zain incident was a personal vagary of the vali's or a premeditated plan emanating from the Porte, the fact remains, I submit, that it is our interest and our policy to maintain the Sheikh of Mohammerah in his position as a powerful Arab ruler at the head of the Gulf. So sure as we do not, our own position will suffer with his, and damage to his influence and well-being will react upon the prosperity of our commercial stake in his territory.

I cannot see, therefore, that we have any object to serve in encouraging assertion of "national rights" on the part of the Turks, and I venture to hope that, after considering the Bussorah and Mohammerah reports regarding the recent incident, His Majesty's Government will feel able to enunciate some common lines of policy for the guidance of our consuls at Bussorah and Mohammerah, by the joint pursuit of which they will be able to keep the Turkish authorities and the sheikh within constitutional bounds, and by doing so will jointly safeguard our position and great interests at the head of the Gulf.

4. Since writing the above paragraphs, I have received a copy of Consul Crow's despatch No. 35 of the 9th June, 1910, to His Majesty's consul at Mohammerah, and forward a copy thereof for your information.* With reference to the postscript appended to the enclosure, I also enclose with it a copy of Lieutenant Wilson's letter on which Mr. Crow's quotation of him is based.

As directed in your telegram No. 131, dated the 31st May, I am sending a duplicate of Lieutenant Wilson's report and of this letter to His Majesty's Foreign Office.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident in the Persian Gulf, and His Britannic Majesty's Consul-General for Fars, &c.

* Printed with Sir G. Lowther's No. 452 of July 5, 1910 (see section 1, July 11 [24858]).

Enclosure 2 in No. 64.

Consul-General Cox to Acting Consul Wilson.

(No. 467.)

(Telegraphic.) P.

Bushire, May 8, 1910.

PLEASE ascertain from the Sheikh himself, as soon as you are in a position to do so, and forward with your own views, a brief exposition of his side of the case, both in regard to the particular events or action which became the cause or pretext for the vali's recent proceeding, and in regard to the chronic grievances of the Bussorah authorities against him for the alleged harbouring of offenders. His Majesty's Government and Embassy have no exposition of the sheikh's side of the question, but have a case against Mohammerah based on Bussorah reports during the last few years.

Enclosure 3 in No. 64.

Consul-General Cox to Acting Consul Wilson.

(No. 549.)

(Telegraphic.) P.

Bushire, May 25, 1910.

TURKISH action at Mohammerah: Reference recent telegraphic correspondence. Until I learn the views and wishes of His Majesty's Government, I think it would be better for me to defer going to Mohammerah.

Please make the sheikh some suitable explanation, and explain to him that it does not appear to signify if his reply is delayed for a few days.

You should go through with him the Turkish accusations against him, and record fully what he has to say in reply to them and his version of the Bussorah-Mohammerah question generally, for the information of Government. We have never had it from the sheikh himself.

As regards the co-operation required by the Turks, is there any particular item in regard to which he is unable or unwilling to comply? We must insist that he shall do everything that is possible and reasonable in this direction.

Enclosure 4 in No. 64.

Acting Consul Wilson to Consul-General Cox.

(No. 566.)

Sir,

Mohammerah, June 4, 1910.

I HAVE the honour to state that, in compliance with your telegrams Nos. 467, dated the 8th May, 1910, and 549 of the 25th May, 1910, I have gone into the question of the Turkish complaints and allegations against the Sheikh of Mohammerah with the latter, and now record below, for your information, his replies to the various allegations and complaints made against him by the Vali of Bussorah, together with a translation of his letter in reply to the latter. I also submit a précis showing the progress of the negotiations between the sheikh and the vali, and the attitude adopted by His Majesty's consul, Bussorah, and myself at each stage. I have also included his replies to various allegations set forth by Mr. Crow, which, though not coming officially from the Turks, may be presumed to show the attitude of the latter towards the sheikh. I would invite reference to my despatch No. 441/37 of the 7th May, 1910, to His Majesty's Legation, Tehran, on the subject of the dispute between the vali and the sheikh.

2. I have also added, where it seemed necessary, my own comments and those of Mr. McDouall, as recorded in the archives of the consulate. The Turkish allegation is shown in every case in the margin,* with an indication of the precise document in which it was contained.

3. †The sheikh replies that it was never alleged, as far as he knows, that any servant of his agent was implicated, and the vali never suggested such a thing to him. No more has been heard of this accusation. The vali, about the 15th April, showed him a list of seven persons wanted in connection with the Minawi incident. The sheikh

* Marginal notes are printed as footnotes against paragraphs to which they refer.

† Robbers attacked a house at Minawi, near Bussorah, in March 1910; one of the robbers said to be servant of sheikh's agents; reported that he had fled to Mohammerah, and that sheikh refused to give him up. (Mr. Crow's despatch No. 22, dated April 22, 1910.)

promised to arrest them if they were in his territories. He at once sent agents in all directions, and in four days' time heard that three of them were in the Mohammerah district. He induced them by stratagem to come to Failieh, and imprisoned them. Troubles with the vali then ensued, totally unexpectedly; and naturally, particularly as the sheikh was away, the handing over of these persons was delayed. A fourth was subsequently obtained. They were handed over on the 31st May. They were all Arabs from Bussorah, and unconnected with Mohammerah.

4. *The sheikh replies that the vali wrote to him on this subject and that he had promised to do his best, though no proof was offered that the murderer was in his lands. He has had search made everywhere, with no result. The Bussorah police in the first place made no serious effort to catch the man, and the story that he has fled to Mohammerah was, he says, probably invented by them to explain their own remissness. Chilmeran was an old friend of the sheikh and of his house, and he looked on him as an adherent; were even Persia and Turkey at war, the sheikh says he would hand over his murderer to the Turks. The latter have not given him the slightest indication of their reasons for saying that he has fled to Mohammerah, and, in any case, they only suggested it some time after the murder.

5. †The sheikh says this is untrue; he asks who "reports" them to be in Mohammerah? If the Turks want individuals from him, they have only to name them, specify their offence, and satisfy him that the accused are Turkish subjects. He has frequently handed over even Persian subjects in a friendly way. Let the Turks produce a list, and give their reasons for making such sweeping statements. He absolutely denies the receipt of any list such as that referred to in Mr. Crow's letter No. 46 of the 27th April to me, and Mr. Crow himself now says he has no confirmation whatever of the statement that the list was sent.

This, the sheikh says, is simply a repetition of the reply the police in Bussorah made to every succeeding vali when taken to task for their remissness, thus creating bad blood between Mohammerah and Bussorah authorities.

6. ‡The sheikh's position in this case is best shown by the following extract from Mr. McDouall's despatch No. 55 of the 24th April, 1909:—

"As to the Maghil case, I do not agree with Mr. Crow's opinion that the sheikh did not assist. My opinion was that he did, but it is always very difficult to arrest men of the marsh Arabs, who are protected by their friends; as to the two men, there was reason to suspect that they were wanted by the Turks for other reasons."

Mr. McDouall's eighteen years' experience of Mohammerah entitles him to speak on the subject with authority (see also Mr. Crow's despatch No. 25 of the 7th May, 1910). When the alleged murderer was brought to Bussorah he was allowed to escape a few days later. The Turks' record in the Maghil case is so bad that they cannot throw stones at the sheikh, and the above complaint is, as a matter of fact, that of Mr. Crow, not of the vali.

7. §The sheikh replies that the "trespassers" whom Mishri tried to have removed in the "usual way" were subjects of his own, and belonged to the Persian tribe of Haji Faisal. Mishri was trying to cheat the cultivators referred to out of their legal rights. The sheikh did his best for some time before the matter came to a head to settle things amicably between Mishri and the cultivators, but without success. Mishri then proposed to replace them with other Arabs, of the tribe of Mohammed Chanan, but the latter tribal chief refused to let any men of his tribe replace Haji Faisal's men, as this would give rise to a blood-feud, or at least to much bitterness. Mishri was very angry at this, and made a big case of it. He told lies to the vali and to the police, and as far as the sheikh can make out the story of his or of his agent's life being threatened by Mohammed Chanan is based solely on Mishri's word or that of the police. Mohammed Chanan did not do so, nor any responsible person.

* Chelmeran, Turkish land-owner, killed on his lands by his own labourers close to Bussorah. Murderers said to have fled to Mohammerah, and not to have been given up. (Mr. Crow's despatch No. 22, dated April 22, 1910.)

† Many criminals, fugitives from justice, are reported to be in Mohammerah, and when sheikh is asked to hand them over he refuses to do so. (Mr. Crow's despatch No. 22, dated April 22, 1910.)

‡ Sheikh refused or prevaricated over surrender of persons concerned in Mr. Glanville's murder in 1906 (Maghil case). (Mr. Crow's despatch No. 17 of March 10, 1909, and No. 22 of April 22, 1910.)

§ Mishri, a Turkish land-owner, applied to the Turkish authorities in the usual way to remove certain cultivators from his lands at Dawasir, but without success, and trespassers were supported by Mohammed Chanan, an adherent of the sheikh. (Mr. Crow's despatch No. 22 of April 22, 1910.) N.B.—This is a complaint against Mohammed Chanan, not against the sheikh.

8. ¶The sheikh replies that Mohammed Chanan is a Persian subject, that he wrote as much to the vali at the time.

The Tabur Agassi (police sergeant) went to Zain to arrest Mohammed Chanan, but alleged no specific offence, except that he had been annoying Mishri, who is a tyrannical and grasping man. Tabur Agassi and Mohammed Chanan both came in the same "bellum" to visit the sheikh at Failieh and to discuss what should be done over a friendly cup of tea. Tabur Agassi made no complaint of any kind whatever as to threats, but simply said that Mohammed Chanan said he was a Persian—would the sheikh write to this effect to the vali?

Sheikh at once wrote a friendly and polite note to the vali, saying that the Tabur Agassi had seen him on the subject of Mohammed Chanan, that the latter was a Persian subject, but that nevertheless the sheikh would bring him up to Bussorah in two days' time to discuss the matters at issue and arrange a settlement. He added that he would be going up the Karun shortly, and would take the opportunity to "ask permission to take his departure," a particularly differential and courteous phrase. He was, he says, under the impression when he wrote the letter that the vali was on the best of terms with him. He went up to Bussorah two days later and found to his surprise that the vali now refused to receive him at all unless Mohammed Chanan was forthwith handed over to the police. The sheikh pointed out in vain that he was accused of no specific offence, that he was a Persian, and that the case of Mishri was eminently one for amicable settlement—the vali was obdurate.

He had no alternative but to return to Mohammerah with Mohammed Chanan, who, it should be added, is his brother-in-law, and head of the most important of the tribes round Mohammerah.

9. †The sheikh replies that more than half of the tribes from Gurnah to Fao happen to be of the sheikh's tribes, and are Persian subjects; the sheikh in consequence has great influence, and since mukhtars are always chosen, by the Turks, from the headmen of the locality, it is not surprising if they are in a way pledged to the sheikh's interests. But he points out there is no reason to suppose that the mukhtars are in any way hostile to the Turks' influence, and, in support of this and of his own consistently peaceful policy, he points out that the Arab tribes from Gurnah to Fao are the only ones who never give any trouble to the Turks; they pay their taxes regularly, and are probably as law abiding a community in their stage of civilisation as can be found anywhere. The limit of the sheikh's influence, Gurnah, is also that of the Turks' authority. Beyond the point at which the sheikh's influence ends the Turkish authorities have failed to collect revenue for the last three years, and are still engaged in ineffective punitive operations.

10. ‡The sheikh's reply shows that he himself has always attributed the river troubles to the same cause as Mr. Crow did in his despatch No. 17 of the 10th March, 1909, of which the following is an extract:—

"As long as action is confined to mere perfunctory police enquiries, and reference is made to a so-called criminal court, where no justice is obtainable, while local authorities are allowed to throw dust in our eyes by arresting offenders and sentencing them to expiate the offences of guilty defaulters, the lawless condition of Bussorah will not improve."

11. In this connection it may not be out of place to refer also to Mr. Crow's despatch No. 8 of the 30th January, 1907, to Sir N. O'Connor, reporting a piracy from a British Indian sailing-vessel at Abul Khasib. He states that he asked the authorities to capture the pirates and recover the stolen property. The Turkish official at Abul Khasib failed to report the outrage, and no energetic measures were taken until four telegrams from the Grand Vizier, as well as one from the Sultan's private secretary, had been received. Even then the men arrested were not the real culprits, but men who had incurred the enmity of the police by complaining of their misdoings to Constantinople.

* Reference above complaint, the Turkish police were informed when they tried to arrest Mohammed Chanan that he and all his people belonged to sheikh, and could not come to Bussorah (to be imprisoned), and if arrest was insisted on Mishri's agent would be killed like Chelmeran. (Mr. Crow's despatch No. 22 of April 22, 1910.)

† Vali said he distrusted the sheikh. His influence as a land-owner and tribal sheikh was great, and he thought most of the mukhtars from Gurnah to Fao were in his pay, or pledged to his interests. (Mr. Crow's despatch No. 22, dated April 22, 1910.)

‡ Vali attributed all the river troubles from Fao to Bussorah to sheikh's influence and was putting in his own men as mukhtars in place of sheikh's men (*vide supra*).

12. Mr. Crow's despatch No. 36 of the 8th May, 1907, to Sir N. O'Connor is also of interest in this connection as showing that at that time river troubles were due to Turkish bad faith with the Arab tribes, and troubles in Bussorah to the inefficiency of the administration. In the latter regard I may quote the following:—

"There is no improvement in public security. . . . Mr. Hickey, the British subject who was attacked and robbed by an armed force of brigands . . . on the 3rd May narrowly escaped being stabbed. . . . The police were not, and never are, on the spot; the gendarmes charged with patrolling the streets are absent from their posts, and view these incidents from a safe distance, being much too callous to interfere, or, what is still more likely, in league with the robbers themselves! House after house is looted with impunity, while the Turks waste valuable time in fruitless judicial enquiries and in the pursuit of robbers, who seem well known, but who invariably elude the mock vigilance of the executive officers."

13. Again, in 1908, during Mr. Geary's tenure of the office of consul in Bussorah, several piracies occurred in the Shatt-el-Arab, which formed the subject of complaint by Mr. Geary to the then vali. In one case only was it suggested that the sheikh's Arabs were responsible, and on enquiry at Mohammerah it turned out that, though the boatload of pirates pushed off from and returned to the Persian shore, it was believed that they did this to hide their identity, as Arabs on the Turkish side were reported a few days later to be dividing the spoil. No action was taken by the Turks, and the writer was informed by Mr. Geary himself that the nerveless and corrupt administration of the Bussorah vilayet was in his opinion responsible for the disturbances.

14. The sheikh may be excused for doubting that the situation in 1910 is radically different from that described above by Mr. Crow. He adds that a still commoner method of the police, and likely to be popular in proportion to the efficiency of the courts of justice, is to assert that the criminal has fled to Persian soil.

Mr. Crow's statement in his letter to me of the 27th April, that he has repeatedly in previous years drawn the attention of His Majesty's Government to the attitude of the sheikh in regard to river troubles generally, and to disturbances in Bussorah in particular, is not supported by the archives of this consulate. Beyond the Maghil case (*vide* paragraph 6) and the troubles with Moharrem Bey, reported in Mr. Crow's despatch No. 17 of the 10th March, 1909, to Constantinople, Mr. Crow seems to have made no complaints against the sheikh, and in the latter case he apparently did not think the matter of sufficient importance to warrant his sending a copy of his despatch on the subject to His Majesty's consul, Mohammerah. The first intimation received by the latter was a copy of the despatch in question received from the resident at Bushire (who had himself received it from the resident at Bagdad), together with a request for an expression of view on the subject.

15. * This is the crux of the accusation against Mohammed Chanan which led to the attack on Zain, and was the *fons et origo mali*, though it is wholly denied by the sheikh. I have made most careful enquiry from several sources, and am unable to obtain any confirmation of the vali's statements.

As regards attacking farms, not only can I obtain no corroboration, but also it is inherently improbable that he would do such a thing, since practically all the farms are in the hands of his own fellow-tribesmen. The sheikh's version is that Mohammed Chanan would not let his men replace those whom Mishri wanted to turn out, and I believe this to be correct. Mr. Crow tells me he has no information in corroboration or otherwise of the vali's statements on this subject. That he committed aggression in Turkish lands is, as far as I can ascertain, untrue. What kind of aggression? That he threatened to kill the owners is, as has been said above, an accusation simply based on hearsay. In this connection the sheikh draws attention to the fact that it was the murder of Mishri's agent which was first said to have been threatened by Mohammed Chanan. Later the accusation was that it was Mishri himself whose life was said to have been threatened. Mohammed Chanan was not present at Dawasir at the time, and denies that he ever said such a thing. It is, of course, conceivable that one of his irresponsible followers may have done so.

The last accusation that Mohammed collected an armed force to oppose the

* Mohammed Chanan opposed a detachment sent after him for attacking several farms. (Vali's letter to Persian consul-general No. 18.) Mohammed Chanan committed aggression on Turkish lands, threatened to kill the owners, collected an armed force to oppose the gendarmes of the State, and supported rebellion. (Acting vali's letter of May 10.)

gendarmes of the State is unsubstantiated by any evidence that I can obtain, and Mr. Crow tells me that beyond the vali's statement he has heard nothing of it. The sheikh says, and it is impossible to doubt him in this circumstantial particular, that the Tabur Agassi and Mohammed Chanan came to his place in the same boat, and discussed the question in quite an amicable way, no complaints being made on either side.

It is therefore difficult to avoid the conclusion that the sheikh is fully warranted in saying that there was nothing against Mohammed Chanan that could not have been settled by half-an-hour's conversation with the vali as he tried to arrange; had the vali, instead of discourteously refusing to see the sheikh at all on the subject, discussed the question with him, and heard the other side, things would undoubtedly have turned out very differently. The sheikh believes that Mishri has a spite against Mohammed Chanan because the latter would not let his men act, in the English working-man's parlance, as "blacklegs," and that he induced the vali to believe that Turkish rule was being flouted by Chanan.

16. The principal chronic accusation made against the sheikh by the Turks is that he exercises illegitimate influence in Turkey. The influence of the sheikh in Turkish territory is due to the fact that he is the titular head of more than half of the Arabs occupying the Turkish bank of the Shatt-el-Arab, and expects, and, in a large measure, receives implicit obedience from them. He is a large landowner, with more extensive property on the Turkish side of the river than is possessed by any Turkish subject. He owns valuable house property in Bussorah, and though it has been considerably diminished in value in the last few months by the vali's expropriation schemes in connection with new roads, the sheikh has not allowed the question to interfere with his friendly relations with the vali (*vide* Mr. Crow's despatch No. 14 of the 9th March, 1910), asking only to be treated as well as British subjects were being treated. Had he adopted a hostile attitude to the vali on this point he would have secured the support of the influential families in Bussorah, and might have embarrassed the vali very seriously.

Again, when the news of the attack of the vali on the sheikh's properties was spread abroad, the latter received numerous voluntary offers of active assistance and co-operation from almost every important Turkish Arab chief from Amara to Fao. Had he accepted them, and commenced active reprisals against the Turks, he would, I have no doubt, have gravely embarrassed the Turkish Government in Mesopotamia and secured his object—the dismissal of the vali.

Realisation of this fact is not, however, in my humble opinion, inconsistent, as Mr. Marling suggests in his telegram No. 31 dated the 31st May, with a recognition by the sheikh that the rising naval power of the Turks would overwhelm him in the end, unless he could count on the support of His Majesty's Government.

17. The other important general accusation against the sheikh is that he has, in the past, connived at or instigated the perpetration of outrages in Turkish territory.

The sheikh does not entirely deny this charge, but he admits it only in connection with the period (1909) when Moharrem Bey was Vali of Bussorah and only in regard to two or three occasions. He justifies himself by pointing out that Moharrem Bey was a violent and ill-tempered man, with whom personal dealings were an impossibility. The Persian Government was then, as now, hopelessly disorganised and unable to make any effective representations at Constantinople; the Persian consul-general was equally unable to say anything to the Vali of Bussorah, and was in any case incompetent. The vali committed with impunity acts of grave injustice against the sheikh and against his subjects living in Turkish territory. Protests proved of no avail and the petitions which the people of Bussorah sent to Constantinople asking for the removal of the vali were unanswered. Deprived of all diplomatic weapons, unable, by reason of Moharrem Bey's personality, to discuss things with him in a friendly spirit, the sheikh had recourse to the only means at his command to secure what was, in his eyes, the only remedy—the removal of the vali. He was successful, as the vali was removed shortly afterwards, and the sheikh's action had the support of the people of Bussorah to whom Moharrem Bey had been equally obnoxious.

18. The sheikh, in winding up the conversation, emphasised the fact that his specific grievances against the Turks were numerous and likely to be more serious in the future than at present. The Turkish officials were, he said, pursuing a policy of pin-pricks in regard to him and his tribe, and causing great annoyance to the latter. Extortion, arbitrary action by Turkish officials against Arabs on the *ex parte* statements of avaricious Turkish landlords were now every day incidents and the constant subject of complaints to him. The present vali seemed, he said, to be bent on putting all

sorts of impracticable laws into force amongst Arabs, upsetting the *status quo* and the tranquillity of the country side, not apparently in order to remedy the state of affairs, but solely in order to cause trouble amongst peaceable Arabs, whilst at the same time he took no serious steps to bring to book those tribes such as the Muntafik, who openly defied his authority.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.*

Enclosure 5 in No. 64.

Sheikh of Mohammerah to the Acting Vali of Bussorah.

(After compliments.)

Mohammerah, May 16, 1910.

YOUR letter of the 3rd Rabi-ul-Sani, No. 133, which your agent, Saad Bey, sent me, reached me on the Karun, and the contents have been noted. Regarding the acts which you did at Kut-i-Zain, on account of the threatening by Mohammed Chanan, of the Tabur Agasse, and the gendarmes, whom you had sent to see him, I am much surprised at your account of the matter. On this account, that when the Tabur Agassi came with Mohammed Chanan to Falieh to see me, he made no complaint and made no mention of such acts. As we are united and friends, I do not want to say more on this subject. Were I to do so, I am sure that I should be vindicated, and your sense of justice would corroborate me. What happened at Kut-i-Zain is not hidden from you.

Moreover, Mohammed Chanan, as is well known, is a chief of the Muhaisin tribe and a Persian subject, and he was my agent in Zain for the care of my lands there. In accordance with your agent's letter, I have removed him and will replace him by another person.

Regarding those who attacked and killed Chelmeran, from the first day that I heard the news I gave the necessary orders in my own districts to search for and capture the murderers, but they have not up to date been found and do not belong to the people of this district. If a single one of them comes into my district, he will be seized and handed over.

Regarding the Mhuwi incident. When you mentioned the matter to me I gave the necessary orders, and one day before my departure to the Karun I captured three of them. As I was on the point of leaving I could not inform the vilayet, and on my return in the same way I captured one more of them and informed the agent of the vilayet that he might send an agent to take them over. A reply was received, an agent sent, and the men handed over.

With regard to what you wrote about handing over fugitive criminals, on this matter a treaty exists between Turkey and Persia, and I am a Persian subject and hereditary warden of the frontier, and your Excellency is no doubt aware of the treaty.

Therefore I and your Excellency cannot give undertakings contrary to the treaty, but in view of the friendly relations that exist between us in the past and in the future in all matters relating to the prevention of trouble in no way has any fault been found, nor will be in the future.

No evil acts have hitherto been committed by my tribes in Turkish territory; as far as possible I will make extreme efforts for the preservation of peace and security there, and to that end I consider myself responsible.

And whenever you desire to conclude a personal agreement between us, relating to the above treaty between the two Governments, I am at your service.

(L.S.)

KHAZ'AL-BIN-JABIR.

Dated 25th Jumadi-ul-Awwal, 1328.

Enclosure 6 in No. 64.

Memorandum by Acting Consul Wilson.

THE following memorandum is intended to supplement the documentary narrative of the troubles which have recently arisen between the Sheikh of Mohammerah and the Vali of Bussorah, and to explain briefly the action of the writer *vis-à-vis* the Sheikh of Mohammerah and His Majesty's consul at Bussorah.

The first intimation that any trouble was likely was conveyed to me on the 24th April by a copy of Mr. Crow's despatch No. 22 of the 23rd April, 1910, to His Majesty's Embassy, detailing an interview which he had had with the vali, in which the latter, after making a series of complaints against the sheikh, announced his intention of sending the gun-boat "Marmaris" to Zain to demonstrate, and, if necessary, punish Mohammed Chanan and his retainers. The vali further said that he intended to take strong action.

Remarking from this despatch that Mr. Crow had made no protest to the vali against his proposals, and had not considered the matter of sufficient immediate importance to justify a telegraphic report to Constantinople, I hurried to Bussorah forthwith (24th April) to attempt to induce Mr. Crow to take action to dissuade the vali from carrying out his plans. It was, however, too late, as the vali had already sent the "Marmaris," and in any case Mr. Crow seemed disinclined to take action, and suggested that the vali was not in earnest. I, however, prevailed upon him to send a wire to Constantinople on the subject.

On my return to Mohammerah at mid-day on the 25th April, I found that the "Marmaris" had shelled and burnt Mohammed Chanan's village an hour previously. I at once proceeded to the spot with a representative of the sheikh, ascertained precisely what had occurred, telegraphed the facts to the resident at Bushire, and returned the same evening to Bussorah to see Mr. Crow again and inform him of what had occurred. Previous to going to Bussorah, however, I visited the sheikh's principal men in Mohammerah and warned them to do nothing whatever, and to allow no reprisals pending orders from the sheikh who had proceeded to Ahwaz on the 21st instant.

On arrival at Bussorah, I found that Mr. Crow had heard nothing of what had occurred at Zain, and he did not seem to appreciate the seriousness of the situation that it created. In reply to my letters of the 24th and 25th, he answered, on the 27th, that the day of reckoning for the sheikh had come, and that though the action of the Turks might be arbitrary, he would press for them to be supplied with the proper means to carry it through.

He, however, modified his attitude to some extent, as, when he attended a reception by the vali held on the "Marmaris," he listened coldly to the vali's triumphant remarks on the subject of the gun-boat's action, and (as he informed me) told the vali that his impetuous action was ill-calculated to secure the results ostensibly desired, and that he would have done well to consult His Majesty's consul before taking action.

The vali shortly afterwards left for Bagdad, where he was to meet Nazim Pasha, under whose general control he now is. He received an exceptionally cordial and distinguished reception.

The sheikh meanwhile, at Ahwaz, telegraphed for advice to me as to whether he should return to Mohammerah at once or not. I replied that he should not return at present as his precipitate arrival on the scene would certainly create a lively anticipation of reprisals, the expectation of which might induce the vali to pursue his hostile policy still further. My fears were confirmed by the vali's letters about this time (the 26th April) to the Persian consul-general at Bussorah, in which he threatened to attack Mohammerah.

As the sheikh is guaranteed by us against unprovoked attack by sea, he at once, on learning of this letter, telegraphed to Mirza Hamza to beg me to telegraph to Bushire asking that we would support him in accordance with our promises by sending a gun-boat to Mohammerah to protect him from attack by sea, and to show the Turks that we could not tolerate any such action. This suggestion was negatived by His Majesty's chargé d'affaires, Tehran, and luckily the vali did not carry out his threats.

The sheikh feels acutely our refusal to send a gun-boat in spite of the fact that an attack on Mohammerah was officially threatened by the vali unless Mohammed Chanan was surrendered. The refusal has detracted from the value in his eyes of our assurances, since on the only occasion when we have been asked to render him prompt support we have withheld it for fear of giving umbrage to the Turks.

On the 5th May, Haji Rais, the sheikh's right-hand man, who had been sent down by the sheikh with instructions to consult me as to the advisability of proceeding to Bussorah to interview the vali, arrived at Nasiri. With my concurrence he went on to Bussorah, though in a state of considerable trepidation for his personal safety. The vali had by this time left for Bagdad, and Haji Rais accordingly visited the acting vali and by his intermediation effected a temporary settlement with the vali, the acting vali giving him a letter to the sheikh, offering to resume amicable relations on certain conditions. The letter contained much that was objectionable to the sheikh, threats and unjustified

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allegations being freely intermingled with polite phrases. But Haji Rais, in the weak position which he was, having clearly understood from Mr. Crow that His Majesty's consul had no authority to press the vali to descend from the position which he had taken up, felt bound to accept it as assuring a temporary cessation of hostilities. He was, moreover, plainly informed (he told me) by Mr. Crow that his orders "to promote an amicable settlement" did not in his opinion justify any attempt to put active pressure on the vali. I agreed with Haji Rais that, this being the case, the settlement was the best *ad interim* arrangement procurable pending a decision by His Majesty's Government on the general question, and it was represented to and regarded by the sheikh in this light.

Further negotiations were then delayed for a fortnight pending the return of the sheikh from Ahwaz, where he was occupied in reconciling the Arab tribes near Dizful to each other, with a view to preventing disturbances there.

On the 24th May he returned from Ahwaz, and I at once communicated to him Foreign Office telegram No. 137 (received on the 14th May), stating that serious representations had been made in Constantinople, and that a gun-boat would be held in readiness in case it should be required for the protection of Mohammerah territory. This announcement did a good deal to improve the sheikh's state of mind, and gave him reason to hope that the eventual settlement provided would have adequate regard for his rights and prestige as well as for those of Turkey.

The sheikh consulted me as to the tenor of the reply which he should send to the vali in answer to the acting vali's letter of the 11th May. I outlined a reply which seemed to be suitable, and he concurred with me unreservedly. I then submitted the outlines of the proposed reply for the approval of the resident. I also sent a copy to Mr. Crow, who, in reply, informed me that, with a few minor alterations, he considered the reply unobjectionable.

In the meanwhile I received orders to proceed to Bussorah to confer with Mr. Crow with a view to a settlement on the lines of Foreign Office telegram No. 165 (received Tehran, the 26th May), i.e., "sheikh to promise to give up Turkish criminals and not foment disturbances. Vali to express regret for injury to sheikh's family, and assure him that if he keeps his promises his tribes and property will not be molested."

The sheikh was quite ready to do his share on these lines, though he does not admit that he has sheltered Turkish criminals nor habitually fomented disturbances in the past. The vali, however, was at some pains to make it perfectly clear that he would not accept Mr. Crow's intervention in the matter, and that he would not apologise in any way.

This being the case, and the vali being on his way back to Bussorah, the sheikh saw at once that to delay his reply until the question of vali offering expression of regret had been disposed of would be injudicious. Pending receipt of the approval of His Majesty's Government to his proposed reply to the vali, he asked the Turks to send men to take over four criminals for whom they had applied. These men reached Bussorah, as intended by the sheikh, two days before the arrival of the vali, thus avoiding any slight to the acting vali, who had taken part in the preliminary negotiations for their surrender.

On the 2nd June, two days after the return of the vali, I was informed by Colonel Cox, in his telegram of the 30th May, to the effect that the sheikh's proposed reply was approved, and I at once told the sheikh to send it off.

On the 4th June he accordingly sent Haji Rais, his right-hand man, to Bussorah with the reply (a copy of which is appended to my letter forwarded herewith). The vali received Haji Rais politely, and seemed not dissatisfied with the sheikh's reply, to which he sent a polite answer. His protestations of friendship and his expression of hope that the sheikh would let "bygones be bygones" were unfortunately considerably discounted by several occurrences which took place whilst Haji Rais was in Bussorah as the guest of the vali.

In the first place, a law suit in which one Mustafa, a servant of Mirza Hamza, the sheikh's Bussorah agent, was concerned, was revived and warrants issued for the man's arrest, regardless of the fact that during the negotiations between Haji Rais and the acting vali, the latter had obtained the withdrawal of the case and had promised that no more should be heard of it. Haji Rais was informed by the vali, in reply to his protest, that the latter knew nothing of the acting vali's action in the matter, and in any case could not intervene in judicial questions. Haji Rais, however, understands that the vali himself requested that the case should be reopened.

Secondly, for the third time since the troubles between the sheikh and the vali began, the sheikh's houses on the Ashar creek were partly pulled down, in spite of the

fact that they did not project into the roadway, and that their frontage had been some time back formally approved by the vali. When representations were made to the vali on this subject, he said on each occasion that it was a mistake on the part of a subordinate official, and that he would issue orders to prevent its recurrence. But it is remarkable that such mistakes should not have been made in the case of other persons' houses. Haji Rais further tells me that he has definite information that the vali instigated these acts.

Lastly, whilst Haji Rais was in Bussorah an official of the Courts of Justice with a band of soldiers raided the empty house of the sheikh's Bussorah agent, and forcibly distrained his carriages and some other possessions, on the ground that a summons for debt had been issued against him by Government for payment of £ T. 300, but had been disregarded. The vali denied all knowledge of the matter and ordered the return of the goods distrained. But Abdul Wahab-al-Kartass has told Haji Rais that the case was started by the vali himself in revenge for Mirza Hamza's attitude in regard to the sheikh's house property in Bussorah, and that the vali personally interested himself in obtaining a judgment against Mirza Hamza; the latter states, however, that no summons ever reached him.

The cumulative effect of these incidents has been to convince the sheikh that the present vali is hopelessly unreliable, if not actually treacherous, and that as long as he remains in Bussorah there will be no guarantee of a recurrence of troubles such as have occurred recently, unless the Turkish authorities both in Bussorah and Constantinople are given plain intimation that His Majesty's Government are supporting him and will not tolerate aggression on Mohammerah territory.

Mr. Crow has given Haji Rais plainly to understand that he is unable to intervene in Bussorah affairs, where the vali is acting ostensibly in conformity with judicial administrative rules, and the vali has not less plainly informed Mr. Crow that he will not tolerate his intervention in Mohammerah and Koweit affairs.

It is important that it should be fully understood that the sheikh has everything to lose and nothing to gain by gratuitously opposing the Vali of Bussorah and no one realises this better than he does. The value of the personal property which he inherited from his father on the Turkish bank of the river is probably not less than 250,000*l.*, and it is not reasonable to suppose that as long as the vali treats him with tolerable consideration he will court difficulties in connection with his property, or jeopardise the peace and prosperity of his tribal tenants by lightly incurring the hostility of the Bussorah authorities.

In the case of the vali the position is quite different. He may have an easier task when he is on good terms with the sheikh, but he has the support of his Government when he is not. He is here to-day and gone to-morrow, and has no personal stake or local interest, and for the rest is imbued with the chronic Turkish idea that the Sheikhs of Mohammerah and Koweit are the chief obstacles to the realisation of Turkish ambition to reduce the Arab population of Turkish Arabia to the condition of serfs destitute of any hereditary right to the land which they occupy.

I should add finally that I showed His Majesty's consul at Bussorah the draft of the letter to which this précis is appended, and asked him whether he had any information which would tend to refute or throw doubt upon the genuineness of the sheikh's replies to various allegations made by the Turks. He replied that he was not now, and never had been in a position to sift the truth of the allegations made by the Turks; that the latter were invariably untruthful, and that, situated as he was in Bussorah, he had no opportunities for applying an independent test to the accounts given him by the Turks of the recent troubles or of others. He added that should His Majesty's Embassy ask him to submit evidence in support of the vali's allegations or of his own statements, he would suggest that the Turkish Government were in a better position than he to furnish such controversial material.

I should add that Mr. Crow's dragoman is a Turk, and obtains his information from Turkish sources, and that circumstances usually seem to preclude Mr. Crow from obtaining the views of Arabs on current issues, even if he desired to know them.

A. T. WILSON, Lieutenant, I.A.

Mohammerah, June 4, 1910.

Enclosure 7 in No. 64.

Acting Consul Wilson to Consul Crow.

My dear Crow,

Mohammerah, June 8, 1910.

YOURS of the 8th. I have handed over two halters to Lloyd, Scott, and Co. (Limited), to be sent up to you by first opportunity. I will let you know what the cost is later. I enclose a copy of the letter of the vali to the sheikh.

The sheikh now says that he cares little for apologies, as the vali is so impetuous that to force him to give them from Constantinople would only make things worse. We have tried once and failed, and, in his view, to try to work it from the Porte, even if successful, would do more harm than good.

But he is most anxious that we should insist, both in Bussorah and in Constantinople, on our right to intervene in Mohammerah affairs being recognised fully by the vali. That, he says, will be the best guarantee against trouble in the future. I quite agree with him, and shall do my best in Bushire to get the resident to press this point of view on His Majesty's Government. He tells me that the vali has publicly announced that he will not tolerate the interference of His Majesty's consul at Bussorah in any affairs either at Koweit or Mohammerah. He says that the vali is not only impetuous but treacherous, as is his conduct in relation to Sheikh Khazal's house, which has been three times quite needlessly pulled down after having been repaired. Haji Rais says he had definite proof when in Bussorah that the vali knew all about it.

Regarding the seizure of Mirza Hamza's property in Bussorah by order of the court, of which the vali disclaimed all knowledge to Haji Rais, it now appears that the claim for 300*l.* was commenced by the vali against Mirza Hamza in revenge for his attitude on the house question, and that the vali has secretly instigated the proceedings all along.

This is our side of the question. I think the vali is altogether unstable, and that nothing but trouble will arise as long as he remains in Bussorah.

Yours sincerely,

A. T. WILSON.

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No. 65.

Sir G. Lowther to Sir Edward Grey.—(Received July 11.)

(No. 452.)

Sir,

Constantinople, July 5, 1910.

I HAVE the honour to forward herewith a despatch from His Majesty's consul Bussorah in regard to the state of the relations now existing between the Sheikh of Mohammerah and the Vali of the Bussorah vilayet.

I have, &c.

GERARD LOWTHER.

Enclosure 1 in No. 65.

Consul Crow to Sir G. Lowther.

(No. 35.)

Sir,

Bussorah, June 9, 1910.

WITH reference to my telegram No. 37 of the 9th instant, I have the honour to transmit a translation of the Sheikh of Mohammerah's reply, which Haji Reiss handed to the vali on Sunday morning, the 5th June. Haji Reiss visited me the same evening, and according to his account, the vali gave him a friendly reception, kept him to lunch and discussed the Zein business and general relations with Mohammerah unreservedly. Both parties gave their respective versions of the immediate events which led to the breach, and the vali remarked, *inter alia*, that local reports had been sent to Constantinople complaining that he left the administration of outlying districts too much in the hands of the Sheikh of Mohammerah, and said he had been censured by Constantinople in consequence. He read and accepted the sheikh's written reply to his letter without comment, saying merely that he had nothing against the sheikh personally, but he wanted his loyal assistance to catch Turkish criminals who escaped to Mohammerah, and professed himself willing to reciprocate if Persian criminals fled

to Bussorah. He added he would not allow the police to take advantage of the friendly understanding between the sheikh and himself in order to make a scapegoat of Mohammerah whenever they failed to catch culprits, and said applications for surrender would only be made in well-authenticated cases after careful enquiry, and production of satisfactory evidence of the parties' guilt. He assured him friendly relations with the sheikh were now restored.

Haji Reiss asked the vali to write a friendly private letter to the sheikh to that effect, and the vali undertook to do so. Haji Reiss also referred to the partial destruction of some of the sheikh's new buildings on the Ashar creek, and the vali agreed to examine the ground in his presence on the following day, and see what was required.

I called on Abdul Wahab Pasha-el-Kartass at Saraji, about 3 miles down river, on the 6th June, and discussed the affair with him. He is an intimate friend of Sheikh Khazal's, and is well aware of all that has lately occurred. He agreed to visit the sheikh at Mohammerah as soon as Haji Reiss had returned, and inform me how matters stood. Haji Reiss called again on me in the evening. He brought me a copy in Arabic of the sheikh's reply, and showed me a sealed private letter which he had received from the vali for the sheikh, of which, however, he did not know the contents. He said he had come to an amicable understanding with the vali about the sheikh's new houses, and had arranged to stop all work until the vilayet engineer had drawn up a plan of the proposed new quarter to work upon. Haji Reiss then left for Mohammerah.

I called on the vali on Tuesday morning the 7th June. I had not met him since his return from Bagdad on the 1st June. He was friendly and polite, but observed a frigid silence in regard to the Mohammerah question. When I broached the subject he expressed deep resentment at my interference, and could not believe that the British Government, which had helped Turkey so much in past years, was now going to turn against it on account of the little Sheikh of Mohammerah. He said he could not conceal the great surprise my letters had caused him, and that he was prepared to meet any criticism of his acts, provided it came from the proper quarter, namely, his own department. He was astounded that I should have represented the Sheikh of Mohammerah as being interested in the affair of Kut-el-Zein, as that locality was part of Turkey, and the brigands who were harboured there were Turkish subjects. He remarked that he had directed the acting vali to accept no interference from me in the matter, either official or private, as the question in no way concerned England. He then went on to tell me that before his appointment as vali he had been editor of the "Tesvir Efkiar," and was quite *au courant* not only of events in Persia, but also of English foreign politics, and he proceeded to give me a lengthy and somewhat journalistic account of his views on these subjects. His arguments, however, as far as I could measure them, seemed as wide of the matter in hand as they were removed from the precincts of reason.

I replied that I was sorry we were such an interfering people; unavoidably we had our finger in many pies, but this need not disturb the excellent relations which existed between ourselves, and I merely wanted to tell him what the Foreign Office said about this Mohammerah business. I said we were glad to hear he had effected a reconciliation with the sheikh, and were obliged to him for meeting us in the matter. I had already communicated the views, not of myself, but of His Majesty's Government, on this subject to the acting vali. I had received many telegrams from the Foreign Office, our embassy at Constantinople, and the legation at Tehran, and all agreed on the necessity of arranging matters amicably between himself and the sheikh. His Majesty's Government wished the affair dealt with locally, and I now desired, with his permission, to communicate the instructions I had received. As to the matters in dispute, his Excellency had communicated directly with the sheikh, letters had been exchanged, and friendly relations re-established. I had twice written privately to his Excellency regarding some expression of regret on his part to the sheikh for his personal family trouble. His Majesty's Government thought it would be well, in order to strengthen and confirm the good understanding now arrived at, "if his Excellency would express in a friendly and private manner his regret, that is to say, his condolences for the personal injury sustained by the sheikh, namely, the death of his wife and the discomfort caused to his mother, and would assure the sheikh that if he kept his promises his tribes and his property on Ottoman soil would not be molested." I read this passage to him, and offered to give him my Turkish translation, but he said he preferred to have it verbally. I also carefully explained to him that His Majesty's Government did not ask for an apology for what had occurred, but simply an

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expression of regret for the sheikh's private trouble, and I pointed out that, although we fully realised the difficulties of the Turkish Government on the river, we were old friends of the sheikh as with Turkey, and if we had not protected the sheikh in his dealings with the Persian Government, Mohammerah and Arabistan would have gone to the dogs long ago. We were deeply interested in Arabistan, where we had about half-a-million of capital invested, and we wanted no quarrels between the Governors of Bussorah and Mohammerah. We were prepared to use our influence with the sheikh to keep him from fomenting disturbances on the Turkish side, but if he did not keep his promises we should certainly not protect him.

The vali answered that he had practically fulfilled the second part of our request, as he had written privately to the sheikh on the preceding day and assured him of his friendship and good-will and protection of his affairs in Turkey, and assurances to the same effect were given in the last paragraph of his previous letter (see Enclosure 3 in my despatch No. 26 of the 14th May to the embassy), but he firmly, though politely, declined to write anything to the sheikh in the form of condolence or regret for the sheikh's personal concerns, with which, he said, he had nothing to do. He declared himself convinced that his action at Zein was justified and fully vindicated by past history on the river, and as the action was undertaken on behalf of his Government and had nothing personal about it, any personal expression of regret on his part would be useless and meaningless.

I replied that his Excellency must decide for himself, and that I could do no more than reiterate the express wishes of His Majesty's Government which I had been instructed to explain to him, and I would communicate his views to Constantinople.

I again visited Abdul Wahab-el-Kartass at Saraji on the morning of the 9th instant, and he told me he had spent several hours with the Sheikh of Mohammerah at Failieh on the preceding day, and had read the vali's private letter, which, he said, was friendly and conciliatory. He said good relations were restored and the breach healed. I consider Abdul Wahab's opinion of value. He is an important personage here and an intimate friend of Sheikh Khazal, and is well aware of the difficulties the Turks have had in past years with Mohammerah. No man in Bussorah knows the position better, and, when friendly meetings between Arab sheikhs and Turkish vali's occur, they are generally held at his house (please see my despatch No. 14 of the 9th March last to the embassy, to which the resident at Bushire recently referred to in his telegrams).

I have, &c.

J. E. CROW.

June 10, 1910.—P.S. Since writing the above I have received a copy of the vali's private letter to the Sheikh, and enclose a translation of it. In forwarding the letter to me Mr. Wilson states that the sheikh attaches no importance to the expression of regret, and does not want it now.

F. E. C.

Enclosure 2 in No. 65.

Sheikh of Mohammerah to the Vali of Bussorah.

(Translation.)

(After compliments.)

Jemadi Evvel 25, 1328.

WHILE on the Karun I received the letter of your representative, Saad Bey, of 30 Rebi-ul-Akhir, 1328, and became aware of all that was written therein about the affair which occurred at Kut-el-Zein, caused by Mohd Chenan's threatening the Tabour Agassi and the gendarmes which you sent to arrest him, and I am very much surprised at this explanation, for, when the Tabour Agassi came to me with Mohd Chenan at Failieh, he showed no vexation and nothing was mentioned by him about such proceedings. But, as the steps of friendship are firmly established, I do not wish to prolong discussion on this subject; if I did so there is no doubt that I should be found quite in the right, and I am convinced your Excellency's conscience would confirm this, for what happened at Kut-el-Zein is not hidden from you. It is no secret that the said Mohd Chenan is a chief of the Muhaisin tribe and a Persian subject, and that he is my agent there for the cultivation of my property. As notified by your representative, Saad Bey, I have removed him and will appoint another agent.

As regards those who dared to kill Chelmeacan, from the first day this news reached me I gave necessary and repeated orders to search for and arrest them, but up to the present I have not found any of them, and they are not people of this district. If they

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No. 65*.

Sir Edward Grey to Mr. Marling.

(No. 209.)

(Telegraphic.) P.

ARABISTAN irrigation.

See your telegram No. 277 of the 7th July.

A similar question was asked by Netherlands Minister here. He was told that in principle we did not object to Dutch participation, provided that it was in a British company and that the moment was opportune. It would be difficult, in view of former condition, to keep Persian Government in the dark about our interest in the scheme.

Baron Gericke also assured me that if His Majesty's Government and the Sheikh of Mohammerah were opposed to it the Netherlands Government would not pursue the enterprise. Do what you can to discourage your Netherlands colleague from asking for the concession unless he is sure that Sheikh of Mohammerah views scheme with favour.

Foreign Office, July 11, 1910.

see them or if any one of them is found on this side I will undoubtedly arrest him and hasten to send him.

As regards the affair at Menawee, when you mentioned it to me verbally I ordered search to be made for them, and the day before I left for the Karun I succeeded in catching three of them, but, as I was busy with my journey, I could not inform you, and after my return I succeeded in catching one more, and asked the acting vali to send an official to take them and conduct them to the head-quarters of the vilayet. An official was sent to me with a reply and he took them.

You mentioned several matters of detail for me to undertake. As I am a Persian subject and hereditary frontier official of that Government, and a treaty exists between the two Islamic Powers regarding the extradition of criminals, of which your Excellency is doubtless aware, you and I cannot infringe this treaty, but, in view of the friendship and agreement existing between us as neighbours, there has not been in the past and there will not be in the future any slackness in the necessary help or mutual assistance in all matters relating to the prevention of crime and the establishment of security in all districts, and up to to-day no infraction of the law has been committed by my tribes on Turkish territory, and I have exerted myself, and will exert myself as far as I can, to preserve peace and tranquillity such as we now enjoy until the last day. This is my bounden duty. If you wish to conclude a personal agreement between us with regard to the treaty I am ready to do so.

I avail, &c.

SHEIKH KHAZAL.

Enclosure 3 in No. 65.

The Vali of Bussorah to Sheikh Khazal.

(Translation.)

(After compliments.)

Jamadi Evvel 28, 1328 (June 6, 1910).

THE letter with your greetings which you handed to our friend Haji Reiss has given me special pleasure. The matters and assurances mentioned in your letter concerning the strengthening of friendship, and your confirming them by lately arresting four well-known brigands and surrendering them to the Imperial Government, show a real effort on your part, and I thank your Excellency specially for what you have done to assist in the duty of assuring tranquillity, which is the soul of a country's prosperity. As long as I see your Excellency endeavouring to protect the lawful interests of my State and country, friendship and cordiality will grow in my heart to your name and your illustrious acts. I beg you to rely on the earnestness of my feelings and my words.

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No. 66.

Sir Edward Grey to Mr. Marling.

(No. 211.)

(Telegraphic.) P.

Foreign Office, July 11, 1910.

SEE St. Petersburg telegram No. 201 of the 9th July: Caspian timber contract.

You should send telegraphic report on points raised in letter of the 19th May (Persia Print series, May 21, Section 8). Further correspondence will be found in Sections 1 and 2 of the 27th May and Section 2 of the 2nd June in the same series.

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No. 67.

Sir Edward Grey to Mr. Marling.

(No. 114.)

Sir,

Foreign Office, July 11, 1910.

I TRANSMIT to you copies of two letters from Sir G. Mackenzie,* and of the reply thereto on the subject of the Karun road.†

Colonel Picot called at the Foreign Office on the 2nd instant and informed Mr. Mallet that Messrs. Lynch had approached the Anglo-Persian Oil Company with

* Sir G. Mackenzie, April 11; June 25, 1910.

† No. 68.

a view to obtain their assistance in the construction of the road, and that the Imperial Bank of Persia were ready to participate.

Mr. Mallet expressed his satisfaction at this intelligence, and said that His Majesty's Government would welcome any amalgamation of British interests in this matter. He enquired where it was proposed to begin work, and reminded Colonel Picot that the concession expired in 1912, and that His Majesty's Government would not be able to ask for an extension of the concession, in so far as the part of the road within the Russian sphere was concerned, without previously obtaining the concurrence of the Russian Government. He asked whether it would not be possible within the next two years to complete that part of the road.

Colonel Picot stated that it had been intended to begin work from the south, but that he would consider the point Mr. Mallet had mentioned about the part of the road within the Russian sphere. He said, however, that that section was particularly difficult, and that Messrs. Lynch would prefer to complete the road between Kum and Isfahan, which would not require more than improvement. He added that the difficulty was that the Persian post had been making this tract.

I am, &c.
E. GREY.

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No. 68.

Mr. Mallet to Sir G. Mackenzie.

Dear Sir George Mackenzie,

Foreign Office, July 11, 1910.

YOUR letters of the 11th April and the 15th June regarding the Karun road have been carefully considered in this department, and Sir G. Barclay has been consulted on the suggestions made by you.

You are probably aware that the concession for the road expires in 1912. We understand that Messrs. Lynch's agent at Tehran has already been in negotiation with the Persian Government with a view to its prolongation, but the Foreign Office has not been informed of this by Messrs. Lynch, still less requested to intervene in this negotiation, nor could we, in view of the terms of the Anglo-Russian Convention of 1904, press the Persian Government to grant an extension, in so far as the part of the road lying within the Russian sphere is concerned, without previously obtaining the concurrence of the Russian Government, which would certainly be a difficult matter.

With regard to your suggestion to sell the portion of the concession lying within the Russian sphere to the Russian or Persian Government, I fear that such an arrangement must involve an almost indefinite postponement of the construction of that part of the road. It is difficult to imagine that, in view of their financial situation, the Persian Government would undertake the work themselves, especially if, as it appears, Messrs. Lynch are now asking them to prolong the concession; while the Russians must be fully alive to the disadvantage to their trade of more direct connection between Tehran and the Persian Gulf. Moreover, it would probably be difficult to induce the Persian Government to sanction the sale of a part of the concession to the Russians.

The Foreign Office, however, would have no objection whatever to the scheme proposed by you for consolidating and widening the interests in the road; indeed, it appears to be a very good one. We are not, however, prepared to initiate the negotiations, for we have no grounds for putting pressure on Messrs. Lynch, nor would it, I think, be necessary for us to do so, since, as we are informed, that firm have themselves already approached the Anglo-Persian Oil Company with a view to obtain their assistance in the construction of the road.

I am, &c.
LOUIS MALLET.

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No. 69.

Mr. Marling to Sir Edward Grey.—(Received July 12.)

(No. 110.)

Sir,

Calcutta, June 24, 1910.

I HAVE the honour to transmit to you herewith copy of a despatch and its enclosures from His Majesty's consul at Ahwaz, in which Mr. Ranking gives an account

of the negotiations which took place last March with the Bakhtiari khans respecting the acquisition of land by the Anglo-Persian Oil Company, and refers to me for a decision various points which arose in the course of those negotiations.

It appears to me that these three points, which are set forth on pp. 8 and 9 of Mr. Ranking's despatch, are with the possible exception of the first, on which there is scarcely room for any difference of opinion, questions for the decision of the company rather than for His Majesty's Legation, but as I have had the advantage of discussing some of the points with Mr. Preece, who signed the 1905 agreement with the khans, I venture to offer some observations on them.

The first point raised by Mr. Ranking is that the sole basis of negotiation with the acting khans should be the 1905 agreement. With this view I submit there can be no disagreement, and it would appear to be particularly necessary, in view of the unfortunate circumstance that Mr. Reynolds has been in negotiation with the khans, though he was ignorant of the terms of the agreement, that His Majesty's Legation should induce the ilkhani and ilbeggi to instruct the acting ilkhani and acting ilbeggi in the sense suggested by Mr. Ranking. But I foresee that this will be no very easy matter since Mr. Reynolds, as it appears from Mr. Ranking's despatch, has already committed the company for this year to paying compensation for uncultivated as well as cultivated land, which appears to be contrary to the spirit of the agreement. The admission has, however, been made, and the khans may be trusted to make the most of the precedent.

Mr. Ranking divides the third question into three heads, the ruling on the first of which appears to me to be included in the ruling on the second. The company, Mr. Ranking repeats, has "on countless occasions both in writing and verbally" acknowledged its liability to pay compensation for all cultivated land used for the company's purposes, and in view of these repeated admissions of liability it will be impossible to insist on any other interpretation of the 1905 agreement.

On the third head, I entirely agree with Mr. Ranking's recommendation that in the interests of good relations with the local tribesmen, compensation ought to be made for the destruction of crops.

The third point relates to the interpretation of the Persian word rendered by "cultivated" in the English translation of the agreement. I am advised that Mr. Ranking's view that this is the proper rendering is correct, and I think therefore that the Bakhtiari contention that not only "cultivated" but also "cultivable" lands are to be compensated for must be resisted. "Cultivated" lands should, as a general rule, be held to mean that under cultivation in alternate years as is the custom of the tribes. If it should seem necessary, a concession might be made to the Bakhtiaris that cultivated lands should include those which, though now uncultivated, have been cultivated within very recent years, but the limit should be a very short one in view of the difficulty of obtaining reliable evidence.

At the end of his despatch Mr. Ranking mentions two other matters, but without referring them specifically to the legation. On both points I entirely concur in his recommendations.

I would take this opportunity of suggesting that the Anglo-Persian Oil Company would do well to appoint an English representative in Tehran. At present the work of such an agent is to all intents and purposes performed by His Majesty's Legation, and I submit that it is not in the interests of the company itself that this should continue. In the first place the legation's only source of information as to the company's affairs is the consulate at Ahwaz, and, as appears from the enclosed despatch from Lieutenant Ranking, he is not always informed of the proceedings of the company's local agents. It is not difficult to imagine circumstances in which the legation might be called on to take action on imperfect knowledge of the company's wishes; in any case delay must often be incurred by the necessity of referring to Ahwaz or London, and expense may be entailed on the public funds for the cost of telegraphing. A second and more important reason is that it is indisputable that, as a general rule, it is found to be more practicable for private persons or companies to push their own interests with the Government than for them to have recourse to official intervention. Apart from the fact that the private individual is necessarily better acquainted with the matter in hand and has more time to devote to it, he is able to employ arguments from which a legation is debarred; and, again, the business is looked upon as a private one possessing no political colour, with which even a timid Persian Minister may deal without referring it to colleagues or to the inquisitive committees of the Medjliss. As an instance in point, I would cite the case of the barges which the Anglo-Persian Oil Company desire to employ on the Upper Karun. The question is one which, on its merits, should be easily

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X

arranged; but an attempt has been made to give it a political complexion, so much so that the late Saghat-ul-Mulk, who as Under-Secretary for Foreign Affairs sanctioned the use of the company's steam launch, was vehemently attacked in the Medjliss for having done so, and was accused of having "betrayed his country." I am of course perfectly well aware that the real opposition comes from Muin-ut-Tujjar, who sees a golden opportunity for hiring out his own barges to the company at his own price, but the mere fact that the application to the Persian Government was made by the legation and not by a representative of the company afforded that unscrupulous individual a ground for representing that the request had a political aspect, which, absurd as it is, unquestionably impresses the ignorant and jealous in the Chamber, with the result that the Ministers hesitate to comply with our request. I cannot of course assert absolutely that an agent of the company would have already succeeded—he might, at all events, have been able to come to some temporary arrangement with the Muin-ut-Tujjar, which the legation obviously cannot do, but I have no hesitation in affirming that he would not have received the flat refusal which by the corrupt influence of the Muin, an incompetent and weak Minister for Foreign Affairs has been induced to send me, and which I was forced to return to his Excellency.

I need not say that in the event of the company's appointing an agent in Tehran, the legation will not abate its efforts on behalf of the company. What I have endeavoured to point out is that its intervention is being wastefully and even harmfully employed by being invoked too early, and that it can be more effectively utilised by being held in reserve; and it is superfluous to say that its experience and advice will always be at the service of such an agent.

I have, &c.

CHARLES M. MARLING.

Enclosure 1 in No. 69.

Consul Ranking to Mr. Marling.

(No. 14/296.)

Sir,

Ahwaz, May 18, 1910.

IN continuation of my telegram dated the 9th April, 1910, I have the honour to address you on the subject of the Anglo-Persian Oil Company land acquisition negotiations and the circumstances which gave rise to them.

The question of land compensation having arisen in February, the Bakhtiari khans deputed an agent from Malamir, by name Sheikh Muhamed Hussein, to go to the oil-field and negotiate on the subject.

It appears that during this Sheikh Muhamed Hussein's stay at the oil-field, Mr. Reynolds, general fields manager, learnt that the khans were in want of money, so on the 20th Safar, 1328 (3rd March, 1910), a letter was written to them, a copy of the first portion of which is attached (marked (A)), saying that the company wished to take up the Maidans of Naftak, Naftun, Bibyan, and Kulazl, and that of these the price of the Maidan-i-Naftun, "which the company is now in possession of," would be paid for in cash. The letter further expressed willingness to pay for land in a lump sum or per jareeb, and further states that as the amount of land required for the pipe-line and road is known, the company is also willing to pay for same at once.

Now the wording of this letter is unfortunate from two points of view: firstly, it admits the principle of the company's liability to pay for the land taken up for the road and pipe-line—this point I will discuss in its own place later; and, secondly, the wording in inverted commas *supra* was equally unfortunate, as will be seen later.

En passant, I may say that Mr. Reynolds never at any time informed me that he had written this letter, and I never knew that such a letter existed even until it was placed before me by the Bakhtiari khans as an answer to an argument I was using against them during the subsequent Kima negotiations.

Negotiating is rendered extremely difficult when compromising letters which have been written are suppressed, either intentionally or unintentionally, and no mention made of them till they are brought up by the other side.

Shortly after this, at Mr. Reynolds's invitation, the Bakhtiari khans came in person to talk over the compensation question, arriving at the oil-field on the 13th March, and were taken all over the oil-field. All the various maidans required by Mr. Reynolds were pointed out to them, and they were informed of various schemes which Mr. Reynolds had in his mind, such as establishing a bazaar, &c.

Now I know from confidential sources of information that the khans had talked

the question over in Malamir prior to their invitation to visit the oil-field, and were perfectly ready and willing to accept a sum of 2,000*l.* (10,000 toman) in full compensation payment for all land which the company might take up; but after being shown the various maidans and informed of the various schemes, their ideas went up by leaps and bounds.

I heard, when the khans were up at the oil-field, that Mr. Reynolds made them an offer of a lump sum of 10,000*l.*, which they refused.

When I asked Mr. Reynolds, on his return to Ahwaz, if he had made such an offer he flatly denied it, though during my late visit to the oil-field Ahmad Khan corroborated the statement that Mr. Reynolds had made the offer.

It appears that, as days went on and nothing was arrived at, relations became very strained, and that the khans blustered, and even threatened to stop work, if the question of compensation was not settled; whereat Mr. Reynolds and Ahmad Khan appear to have got afraid and lost their heads.

For reasons best known to himself, Mr. Reynolds decided to leave the oil-field on the 17th March, and, with this end in view, on the 16th he wrote to the khans a letter, a copy of his own translation of which is marked (D) and attached hereto.* Next day the khans replied—copy of Persian letter and translation, marked respectively (E) and (E 1), attached herewith—saying that they had come by invitation to arrive at a settlement of the question, but that as Mr. Reynolds was procrastinating they would leave for Ram Hormuz on Friday (the next day). Mr. Reynolds was apparently very perturbed by the attitude of the khans, and so far gave in to them that at the farewell interview which took place on the morning of the 17th March an exchange of notes took place. Mr. Reynolds's note to the khans (marked (B)), and the khans' note to Mr. Reynolds (marked (C)), together with Mr. Reynolds's own translations of same (marked (B 1) and (C 1) respectively), are attached hereto.

Taking Mr. Reynolds's note (Persian copy), it will be seen that it embodies three most important points (minor ones will be found in translation itself):—

Firstly, it admits the company's liability to pay compensation for land taken up for "pipe-line, road, and company's work."

Secondly, it gives the Bakhtiari the right to stop the company's work, should the question not be settled within one month's time.

Thirdly, it contains an ambiguous and clumsily constructed sentence which reads that a price of 30 toman for cultivated and 5 toman for uncultivated lands has been agreed upon.

Of the above, the first is dealt with later.

The second it will be seen is a most important one, granting as it does to the Bakhtiari the right to establish a most dangerous and disastrous precedent, and one which they for years have been trying to establish.

While the third point arises from the fact that the note was translated by a native of India (Ahmad Khan), whose knowledge of Persian is imperfect, with the result that the clause in question is ambiguous, and reads that a price has been fixed per jareeb of 30 toman and 5 toman for cultivated and grazing lands respectively, which their Excellencies the khans shall accept, whereas in the D'Arcy agreement there is no mention of compensation for any other except cultivated ground.

In his own translation Mr. Reynolds implies the meaning of the clause to be that the khans say that the price is so and so, and when Mr. Lloyd and he were talking over the situation with me, he stated that such was his intention, but it must be borne in mind that in the khans' note it is perfectly clearly stated that the price is 30 toman and 5 toman, which note was given personally to Mr. Reynolds at the farewell interview and accepted by him.

I am of opinion that Mr. Reynolds's contention that he intended to imply that the khans had stated that the price was so and so is merely an excuse to try and provide a loophole of escape from the consequences of his negotiating in ignorance of the terms of the D'Arcy agreement.

As regards the khan's note, the same points are embodied. After the exchange of notes on the 17th March Mr. Reynolds left the oil-field and arrived in Ahwaz on the 19th March. When visiting me on the 20th March Mr. Reynolds mentioned in conversation that when negotiating with the khans he was in ignorance of the terms of the 1905 D'Arcy-Bakhtiari agreement. He said that he had applied for a copy to

* The Persian copy of this letter has never been shown or given to me, and the copy of the translation was only given to me by Mr. Lloyd in Kima on the 1st April, 1910.

Messrs. Lloyd, Scott, and Co., Mohammerah, on the 22nd February, and that this said copy had met him two days previously on the 18th March after he had left the oil-fields en route to Ahwaz.

Now, it appears to me that the whole trouble was caused by Mr. Reynolds being in ignorance of the terms of the D'Arcy agreement, and could have been avoided had he had a copy with him. In the first place, he would have known that by article 5 the khans have no right to stop the work, and he would have also known that the only land to be compensated for was cultivated, and that no mention is made whatever of grazing lands.

Mr. Lloyd, managing agent, and Mr. Black, who is to replace him when the former goes on leave, arrived in Ahwaz on the 22nd March, and that afternoon, together with Mr. Reynolds, called on me with regard to the case, and requested me to take it up. At this interview Mr. Reynolds gave a brief outline of what had happened, and then proceeded to outline an agreement which would be acceptable to the company, the main point of which was that the price suggested per jareeb was 12 for all cultivated lands.

At the end of the meeting I requested that the matter should be put up in writing, together with all papers given or received with regard to what had passed at the field. Late in the evening Mr. Reynolds brought the papers in question to the consulate, and on being asked if all the papers regarding the negotiations at the field were there, he replied in the affirmative. On going through the papers, however, I found that although a copy of the khans' "note" and translation were there, there was neither Persian copy nor translation of Mr. Reynolds's own note. I wrote for it early next morning, and after going through it, at a meeting with Mr. Lloyd and Mr. Reynolds, pointed out to them the important points mentioned *supra*.

At this meeting I decided, in view of the urgency of the matter, to proceed to Kima to see the khans as soon as possible, accompanied by Mr. Lloyd.

En passant, I would beg to state that I do not consider Mr. Reynolds has afforded me all the assistance I had the right to expect from him in the matter; after asking for all papers bearing on the question, two important ones were omitted under the circumstances stated above and in the beginning of this despatch.

A start was made on the 27th March, accompanied by Mr. Lloyd, and Kima, where the Bakhtiari khans were living, reached on the 30th March. Negotiations with the khans were protracted and difficult owing to the tenacity with which they held to the terms of the "note" in their possession, and were replete with examples of the khans' perfidy, shiftiness, and greed.

After coming to three distinct and separate agreements, and after personally thrashing out and eventually agreeing to each point of the same, on the whole being reduced to writing for them to sign, they would repudiate some essential point and refuse to sign. However, after negotiations had broken down three times, an agreement was arrived at, the main points of which were: price 15 tomans and 3 tomans for cultivated and grazing lands respectively and annual measurement and settlement for lands taken up during the past year, company having entire right to take up as much or as little ground as it pleased, besides some other minor clauses. This settlement or the case was preferable to Mr. Lloyd to another settlement, which I saw a possibility of arriving at, whereby the price of land was 30 tomans for cultivated land and nothing else, which would be in accordance with the agreement. After much time and great deal of labour had been expended in thrashing out and getting the khans' acquiescence to this agreement when it was written out for them to sign, although they had agreed to every point, they refused, except on the proviso that the company should take up and pay for the whole of the Maidan-i-Naphtun. On my pointing out to them that the company had the right to take up just as much as they pleased in accordance with article 1, and did not wish to and had not taken up the Maidan-i-Naphtun, the letter mentioned at the beginning of this despatch was brought forward. The khans held to this point, and negotiations broke down for the fourth time. However, after eleven days in Kima, an agreement was signed (copy and translation marked (F) and (F 1) respectively), by which the Anglo-Persian Oil Company paid the khans 5,000*l.* on account of all land taken up or to be taken up to next Hoot (February), when the negotiations are to be commenced anew, thereby putting negotiations on a fresh footing and putting the "note" out of court. The 5,000*l.* was paid by cheque against a receipt (copy attached marked G) given by the Amirs Muffakham and Mujahid on behalf of the signatories of the agreement and undertaking responsibility in the event of any other of the khans claiming the money.

Before leaving Kima I took an order (marked (H), and attached hereto) from the

acting ilkhani and acting ilbeggi to the Amirs Muffakham and Mujahid, to all the Bakhtiari subjects strictly forbidding all interference in the company's work. This order I took up to the oil-field and handed over to the assistant fields manager, who at that time was in charge of the field, to show to all local tribal headmen as I had done on my way up to the field.

It is now necessary to look to the future; prior to the commencement anew of negotiations next February there are a few points upon which I would beg to request an authoritative expression of views so that the line taken by me may be in accord with the views held by His Majesty's Legation.

During the course of negotiations I was able to ascertain the khans' standpoint with regard to the D'Arcy agreement, and the following points are the direct outcome of such observations.

First and foremost, I would beg to suggest that either the Sardar Assad, or the ilkhani and ilbeggi should write to the acting ilkhani and ilbeggi, whosoever they may be next spring, cautioning them that the negotiations are to be based on the 1905 D'Arcy agreement and in accordance with the terms of which they are to treat. This letter I would suggest should be sent to me, to be delivered when negotiations are reopened.

Secondly, I would beg to ascertain the views of His Majesty's Legation on the subject of what land should be compensated for.

According to the D'Arcy agreement the khans have no right whatever to demand under any pretext whatever compensation for grazing ground; as regards cultivated ground, according to the English translation forwarded to this office by His Majesty's Legation, the khans have only the right to be compensated for cultivated land built on by houses "for people." Now the question arises in this to be interpreted literally and only applied to houses in which the company's employes live, or is the spirit of the ruling to be followed and compensation paid for all "buildings" erected on cultivated ground, which but for these "buildings" could otherwise have been cultivated?

In connection with this point a further point arises: hitherto the company has been under the impression that all cultivated land, in any way used for the company's work, be it buildings, tanks, road, or pipe-line, is to be compensated for, and on countless occasions, both in writing and verbally, this liability has been acknowledged.

I would most certainly recommend in the interests of peace and good relations with the local Lurs, that when any crops may be destroyed by the company's operations that a just compensation be paid for the crop so destroyed, but as to whether, in view of the company's past attitude, this very broad acceptance of the spirit of compensation is to be accepted or no is a point on which I would beg enlightenment. It appears to be contrary to the provisions of the D'Arcy agreement, but has been hitherto unquestioningly accepted by the company.

Thirdly, the khans give a different meaning to the word in the Persian text, which in the English translation is rendered by "cultivated." They assign the meaning "cultivable," which, in my opinion, is entirely wrong, for had the sense "cultivable" been intended the Arabic word [*] would have been used.

In justice to the Bakhtiaris, I consider the word "cultivated" should be held to mean land which the Lurs are in the habit of regularly cultivating, or which may, at the time it is occupied by the company, be under cultivation. My reason for this is that among the tribes it is customary to cultivate any one particular spot only every alternate year, allowing it to lie fallow in the interim.

The above are the three points on which I beg to request His Majesty's Legation's views.

A point to which the khans held and still hold most tenaciously is that when the company have their operations all round the edge of a valley the middle of which is unoccupied, the tribes cannot come and camp in such a place, being right in the centre of the company's work in the interests of peace and quiet between the Il (tribesmen) and the company and for their mutual comfort, the khans maintain that they cannot allow the Il to camp there, and that the company should take up and pay for such places. The extent of these central bits is, in my mind, the main factor in the question, but in cases where such areas of land are comparatively small, I must say I agree with the khans.

It is highly undesirable for the Il to be camping down right in the very heart of the company's works and should they do so it will certainly lead to trouble with them.

* Arabic not reproduced.

I would strongly recommend the company to take up land *en bloc*, and in sufficient quantity to give them proprietary rights over all land which may be situated within the outer boundary of their works. I know that my predecessor Captain Lorimer held exactly similar views on the subject and for similar reasons.

The following table shows the tribal-subsections who were in the habit of inhabiting the ground occupied by the oil works or who are in the vicinity thereof, their taxes, &c.

1.	2.	3.	4.	5.	6.
Tribal Sub-section.	Locality.	Cultivated Land in Possession.	Taxes.	Families.	Grazing Taxes per Annum.
Babrsat ..	From No. 2 well to Chishma-Ali	30 khest = 600 jareeb	Per khest, 20 krans cash, 20 maunds (wheat or barley, a small quantity of straw)	100	1 mare, 22 krans; 4 cows or donkeys, 22 krans; 20 sheep or goats, 22 krans.
Shiheni ..	From and including Maidan-i-Naftun and Maidan-i-Kulazi to pumping station at Tembi River	50 khest = 1,000 jareeb	As above ..	150	As above.

Another question intimately connected with the oil-fields is that of the Bakhtiari guards. In Messrs. Lloyd Scott's letter, dated the 18th December, 1909, to Messrs. the Anglo-Persian Oil Company it is mentioned that Mr. Reynolds "put through" the supplementary agreement regarding the guards. It is true that he did the finishing up, but the original spade work of the whole question was done by Captain Lorimer in June 1907. When thrashing out the question with the Sardar Muhtasham Captain Lorimer laid stress on the point that the chief of guards should be an influential man of good standing, if not one of the minor chiefs themselves, and that this man should get a salary of about 500*l.* per annum.

In March 1909, when the Sardar Muhtasham used his influence to get this supplementary agreement "put through" was the direct outcome of Captain Lorimer's efforts of two years previous.

With regard to this chief of guards, I am of opinion that the present guards will not be satisfactory till a really influential man is appointed as chief of guards on a special salary as proposed by Captain Lorimer, and I would strongly recommend the company in their own interests to give this matter their careful consideration. I have already mentioned the subject to Messrs. Lloyd Scott, and Co., Mohammerah, in my No. 12, dated the 7th January, 1910, at the time of the guard troubles. It will be noted that the company have the right to such chief of guards under article 4 of the D'Arcy agreement.

I have, &c.

J. RANKING, Lieutenant, I.A.

Enclosure 2 in No. 69.

(B1.)

Memorandum communicated to Lutf Ali Khan and Yusuf Khan, at Maidan-ba-Naphitun, by Mr. Reynolds (General Fields Manager), on March 17, 1910.

(Translation.)

(After compliments.)

I HAVE to inform you that as the result of our discussion it is thus arranged, viz., that I pay as an earnest at Ram Hormuz the sum of 2,500*l.* for the lands needed by the oil company, for the laying of their pipes and other work. This will be done as soon as possible after my return to Nasiri. On arrival at Nasiri, I will wire home regarding the settlement of compensation for these lands.

I will arrange to come and meet you at any place you name within thirty to thirty-five days after this date.

It is settled that (before that) the company's work should not be stopped in any way.

The price of the cultivated lands is 30 tomans per jareeb and 5 tomans for uncultivated lands as you have said.

If in a month's time this matter be not settled, you are allowed to stop work.

GEO. B. REYNOLDS.

Enclosure 3 in No. 69.

(C1.)

Note communicated to Mr. Reynolds, March 17, 1910.

(Translation.)

IT is settled that the sum of 2,500*l.* be paid at Ram Hormuz as a deposit or earnest-money.

2. We have leased the Bakhtiari lands—Karrai, Rahdar, and Baitwand—for laying pipes and the passing of the carts and other work connected with the oil works which will be needed by the company.

3. In one month or thirty-five days time the general fields manager of the oil company has to come where we are encamped, and he has to settle about the price of lands required by him as mentioned in paragraph 2.

4. If the general fields manager does not come within the period stated above, the Bakhtiari tribes are allowed to stop the work of the company.

5. The price is settled that the cultivated lands will be charged 30 tomans per jareeb and 5 tomans for uncultivated grounds.

In settlement both sides have to arrange the second meeting.

LUTF ALI KHAN.
YUSUF KHAN.

Enclosure 4 in No. 69.

(D.)

Mr. Reynolds to Amirs Mofakham and Mujahid.

March 16, 1910.

I VERY much regret that, having made arrangements some time back to go to Ahwaz on business by steam-ship "Shushan," leaving Dar-i-Khazineh on Friday, that I must leave to-morrow with the object of your visit, the question of compensation for lands, as yet unsettled.

You will please recognise that I simply represent the company, and that I cannot go beyond the compensation I offered you without consultation with them, which I will do by wire from Nasiri.

In the course of our conversation on the subject I gathered that if the cultivated lands we occupy be measured, you wish the company to pay 15 tomans per jareeb of 1,000 square yards Persian, and if a lump sum payment be the arrangement, you quote 40,000*l.* as your price.

I further understand that any crops damaged should be paid for at the following rates per jareeb: wheat, 3 tomans, and in the same proportion barley at 2½ tomans, the former being the rate at which your wakil stipulated we should pay for wheat crop damaged near the Tenbi River.

I further understand that because we have not come to terms, you propose to stop all work we are doing, but this I must ask you to reconsider, as I must beg of you time to put myself in communication with my directors in London, to ask them what arrangement of those mentioned above they would prefer.

I have worked in contact with some members of your families for the last six years I suppose, and do not let any hasty act, such as you suggest, break our friendship.

Enclosure 5 in No. 69.

(E 1.)

Lutf Ali Khan and Yusuf Khan to Mr. Reynolds.

(Translation.)

(After compliments.)

5 Rabbi-ul-Awal, 1328.

YOUR esteemed letter to hand and its contents understood.

We came here because the people made reports of oppression to us, and because you invited us, that some agreement might be arrived at with regard to the arrangement of this question regarding the compensation for land, the maidans and their boundaries, which are grazing and cultivating grounds of these few tribes. During the past few days, however much we tried to come to some arrangement for their (tribe) comfort, you have taken no speedy action.

With regard to the price of land, when Sheikh Muhamed Hussein came to you he stated the price per jareeb as 50 tomans, but you fixed 30 tomans, in accordance with the amount of produce at 10 per cent., although in effect the land is worth more than you say. Further, you said nothing whatever regarding grazing ground, although grazing land is preferable to the llyat to cultivated land. We, through our friendly feelings towards the company, undertook the settlement; now that you are procrastinating, we, however, say nothing, and await your wishes.

To-day we remain here to arrange the guard question, but to-morrow (Friday) we start for Ram Hormuz.

We always await your orders, &c.

LUTF ALI.
YUSUF.

Enclosure 6 in No. 69.

(F 1.)

Free translation of an Agreement between Mr. G. B. Lloyd, on behalf of the Anglo-Persian Oil Company (Limited), on the one hand, and the Amirs Mufakham and Mujahid on the other, on behalf of the signatories to the D'Arcy Agreement.

[The accuracy of this translation is not guaranteed.]

An agreement with regard to land at Masjid Suleiman and other places, &c., between Mr. G. B. Lloyd, agent of the companies working oil in the Bakhtiari country and the Amirs Mufakham and Mujahid, who are empowered to act for the signatories, dated Salkh, Rabbi-ul-Awal 1328 (9th April, 1910).

It is agreed that the Anglo-Persian Oil Company shall pay on account a sum of 5,000*l.* to the above-mentioned chiefs on account of the lands at the oil-field, up to the coming Burj of Hoot 1329 (February 1911), being one month previous to Nao Ruz, and at the above-mentioned time His Majesty's consul, Ahwaz, the Bakhtiari khans, and the agent of the oil companies, shall all meet at the oil-field and talk over afresh the question of the price of land, &c., and arrive at a settlement of the question and draw up an agreement.

Moreover, as before, the oil company has entire right to bore wells, build houses, make roads, lay pipe-lines, &c., in any place in the Bakhtiari country, and no one, either Bakhtiari subjects, Seyyids of Aquili, or others, have any right to interfere or trouble them; and should they cause any loss, the Bakhtiari khans shall be responsible for the compensation for same.

Further, with regard to the above-mentioned sum, should a sum greater than this be due to the khans on settlement, the company will pay cash down; if, however, it should so happen that a lesser sum is due to the khans, they will repay any surplus.

This short agreement has been written by way of *aide-memoire*, dated the 9th April, 1910.

This agreement is correct.

LUTF ALI.
YUSUF.

The above is correct.

J. G. LLOYD.

[25137]

No. 70.

Mr. O'Beirne to Sir Edward Grey.—(Received July 12.)

(No. 302.)

Sir,

St. Petersburg, July 9, 1910.

ON the receipt of your despatch No. 159 A of the 27th May last, I presented to M. Isvolsky an *aide-memoire* giving the main lines of the arrangement by which a British company proposed to acquire the rights of a certain Baron de Luzzensky to exploit a timber district on the southern shore of the Caspian Sea in Persian territory, and I asked his Excellency to inform me whether the Russian Government would have any objections to offer to the project.

I have now the honour to transmit herewith a copy of the *aide-memoire* which M. Isvolsky has sent me in reply stating that, as the transaction is purely private and commercial, his Government sees no objection to its realisation.

I have, &c.

HUGH O'BEIRNE.

Enclosure in No. 70.

Aide-memoire communicated to Mr. O'Beirne by M. Isvolsky.

LE Gouvernement Impérial n'a pas manqué de prendre des renseignements au sujet de la concession du Baron Luzzensky, dont il est fait mention dans l'*aide-memoire* de l'Ambassade britannique en date du 18 mai, année courante.

Il appert des informations parvenues au Ministère Impérial des Affaires Étrangères que ledit personnage jouit du droit d'abattre un million de chênes dans les forêts appartenant à un sujet russe dans les provinces de Mazanderan et de Touné-kaboun. Vu le caractère entièrement privé et commercial de la transaction entre le Baron Luzzensky et la compagnie anglaise en question, le Gouvernement Impérial ne voit pas d'obstacles à la réalisation de cet arrangement.

Saint-Petersbourg, le 25 juin (8 juillet), 1910.

[25197]

No. 71.

India Office to Foreign Office.—(Received July 12.)

Sir,

India Office, July 11, 1910.

I AM directed by the Secretary of State for India to enclose copy of a telegram from the Viceroy reporting the dispatch of twenty-five men to Mohammerah in relief of the Tabreez escort, and to request that His Majesty's Minister at Tehran may be instructed, as desired by the Government of India, to inform His Majesty's consul at Mohammerah as to the route to be followed by the detachment on its onward journey.

I am, &c.

R. RITCHIE.

Enclosure in No. 71.

Government of India to Viscount Morley.

(Telegraphic.) P.

July 7, 1910.

NINETEEN lancers, with five sowars and one dafadar, sail on the 8th instant from Karachi, as relief of escort at Tabreez, reaching Mohammerah about the 19th instant. We should be glad if His Majesty's Minister at Tehran could be asked to send information as to route to be followed on onward journey to His Majesty's consul at Mohammerah. We will communicate later details of arms.

(Repeated to Resident, Bushire.)

[25244]

No. 72.

Mr. Marling to Sir Edward Grey.—(Received July 12.)

(No. 283.)

(Telegraphic.) P.

Gulahek, July 12, 1910.

PLEASE refer to my telegram No. 279 of the 8th July.

Cabinet has resigned.

It has not yet been determined who will form the new Government, but Nationalist party will probably be predominant in it.

[24672]

No. 73.

Sir Edward Grey to Mr. Marling.

(No. 212.)

(Telegraphic.) P.

Foreign Office, July 12, 1910.

HORMUZ oxide.

I concur in the view expressed in your telegram No. 278 of the 8th instant that it would be better for the present to postpone action, if, as now seems likely, the contract is not concluded, and if warning might delay its signature.

[24776]

No. 74.

Sir Edward Grey to Mr. Marling.

(No. 213.)

(Telegraphic.) P.

Foreign Office, July 12, 1910.

BARGES for Anglo-Persian Oil Company on Karun. Please see last paragraph of your despatch No. 99 of the 13th June.

A complaint has reached us from the company that, owing to the attitude of the Persian Government, the new barges which have just arrived cannot be put into use. As the old barges, which were hired from Muin-ut-Tujjar in place of those withdrawn by him, according to agreement, since the 15th June, are insufficient for transport requirements, the staff is to a great extent unable to work, and the operations are impeded.

You should make forcible representations to the Persian Government, urging them to grant the company permission and facilities to work the concession which has been granted them.

[25197]

No. 75.

Sir Edward Grey to Mr. Marling.

(No. 214.)

(Telegraphic.) P.

Foreign Office, July 12, 1910.

RELIEF of Tabreez escort.

Twenty-five men left Kurrachee on the 8th, and should arrive at Mohammerah about 19th instant.

India Office have asked that you might telegraph route men are to follow on onward journey to His Majesty's consul at Mohammerah.

[25363]

No. 76.

Messrs. Ellinger and Co. to Foreign Office.—(Received July 13.)

Sir,

28, Oxford Street, Manchester, July 12, 1910.

WE are in receipt of your letter of the 8th July, and desire to tender to His Majesty's Government our thanks for the full and careful explanation of the present position of the Hormuz oxide concession, and for the assurance that the fullest measure of diplomatic support which His Majesty's Government can properly afford will be given in maintaining the rights of British interests in this matter.

We shall probably, after consultation with Messrs. Andrew Weir and Co., come

back upon the matter, requesting you to take certain steps in the interests of those concerned.

We take the liberty of handing you enclosed letter to Mr. Norman, and in case he is not in town perhaps someone else will kindly deal with the matters therein referred to.

Meanwhile we remain, &c.

ELLINGER AND Co.

Enclosure in No. 76.

Mr. M. Ellinger to Mr. Norman.

Dear Mr. Norman,

28, Oxford Street, Manchester, July 12, 1910.

MY firm has duly received the letter, dated the 8th July, from the Foreign Office, which you promised me at my recent interview, and I must thank you for seeing that the matter was promptly dealt with.

You will remember that I explained to you that I was desirous of sending this letter, together with your letter of the 21st May and our letter to you of the 24th June, to Messrs. Andrew Weir and Co. and the Muin, and I understand that I am at liberty to do this.

It is stated in the letter of the 8th July that the Muin entirely declined to permit Abbas Kuli Khan to take a copy of the firman of 1904, which he showed to the latter, but the legation have a copy of this firman, and sent us a copy of it, and I presume, in view of the statement contained in your letter, this was not obtained from the Muin.

Further, in the concluding paragraph of your letter the Foreign Office say that Messrs. Andrew Weir and Co. may rest assured of the fullest measure of diplomatic support which His Majesty's Government can properly afford them. I take it that the same measure of support will be accorded to my firm also in respect of our claims in this matter.

I have sent on copies of the correspondence to Messrs. Andrew Weir and Co., and I wait to hear from you before sending this to the Muin, as I want to be quite clear that the Foreign Office will consent.

I am, &c.

M. ELLINGER.

[25380]

No. 77.

Mr. Marling to Sir Edward Grey.—(Received July 13.)

(No. 284.)

(Telegraphic.) R.

Tehran, July 13, 1910.

YOUR telegram No. 211.

Persian law on the points raised is exceedingly vague, and it is impossible to make positive statement on points raised.

As regards the first point, I think that the Persian Government would probably raise difficulties unless the vendor's rights in the land have been formally recognised by them.

2. (A.) Turkish Embassy asserts that their rights are uncontested, but I am not sure that the Persian Government would admit this. It is generally recognised that foreigners cannot own land, but many Russian and some British Indian subjects do so. (B.) Yes.

3. I know nothing of vendor's status.

Without seeing the title-deeds it is impossible to say whether he is the owner of the land or not.

Turkish Embassy know nothing of him; in their register he is described as commission agent.

4. British company could not own land except under concession. Under clause 2 preliminary contract vendor undertakes to arrange for tramways, &c.

It would have to obtain permission of the Persian Government. He should be asked to show proofs of his ability to carry out this undertaking, and also those in clauses 12, 13, and 14. Unless the vendor obtains from the Persian Government recognition of the preliminary contract, I think that the only safe way for a British

company to operate would be to obtain a concession from the Persian Government, as did d'Arcy, which would enable them to purchase private rights, and which would guard against arbitrary prohibition of the export of timber (see Tehran despatch No. 3, Commercial).

[25384] No. 78.

Mr. Marling to Sir Edward Grey.—(Received July 13.)

(No. 285.)

(Telegraphic.) P.

Gulahck, July 13, 1910.

I HAVE received an application for leave from His Majesty's consul at Tabreez in consequence of the serious illness of his mother. He suggests that Charles Stevens should be left in charge of the consulate. I think application might be granted, unless it is intended that the commission to examine state of Urmi regions should meet shortly.

[25385] No. 79.

Mr. Marling to Sir Edward Grey.—(Received July 13.)

(No. 286.)

(Telegraphic.) P.

Gulahck, July 13, 1910.

OIL company's barges.

With reference to your telegram No. 213 of the 12th July.

His Majesty's vice-consul at Mohammerah reported similarly, and added that he had advised the company to use their own barges, since he anticipated no objection from the local authorities. I have approved his advice, having warned the Persian Government verbally that the oil company would take this step if no satisfactory arrangement were made with Moin.

In accordance with instructions, I have now renewed representations to Persian Government.

[25386] No. 80.

Mr. Marling to Sir Edward Grey.—(Received July 13.)

(No. 287.)

(Telegraphic.) P.

Gulahck, July 13, 1910.

RELIEF of legation and consular escorts.

With reference to your telegram No. 214 of the 12th July, I have the honour to point out that the Tehran escort numbers ten, the Tabreez escort six. Please enquire of the India Office for what consulate the further nine men are intended. Only seven men are required for Kermanshah escort, which is due also to be relieved in September next.

[25380] No. 81.

Sir Edward Grey to Mr. Marling.

(No. 215.)

(Telegraphic.) P.

Foreign Office, July 13, 1910.

LUZSENSZKY contract.

Can you offer any observations on point 6 in letter of the 19th May? (See your telegram No. 284 of to-day.)

[25384] No. 82.

Sir Edward Grey to Mr. Marling.

(No. 216.)

(Telegraphic.) P.

Foreign Office, July 13, 1910.

TURCO-PERSIAN frontier: Urumia Commission (see your telegram No. 285 of to-day).

There is no prospect of immediate meeting of commission, and no reply to the proposal has yet been received from the Porte; so that application of His Majesty's consul-general at Tabreez may be granted, and I approve arrangement as to acting consul-general in his absence.

[23838]

No. 83.

Sir Edward Grey to Mr. Marling.

(No. 117.)

Sir,

Foreign Office, July 13, 1910.

I HAVE received your despatch No. 100 of the 14th ultimo, in which you suggest that His Majesty's Government may content themselves with awaiting further developments in regard to the alleged lease to a Russian subject of lands on the Karun, at all events until there is some more definite indication that British interests are threatened by the transaction.

I have to inform you, in reply, that I concur in your suggestion.

I am, &c.

E. GREY.

[24654]

No. 84.

Foreign Office to Messrs. M. Samuel and Co.

Gentlemen,

Foreign Office, July 13, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 7th instant relative to the question of rendering financial assistance to the Persian Government.

I am to inform you in reply that the situation in Persia has changed since the date of the letter from this Office to which you refer, and that there now appears to be less likelihood than there was a short time ago that the Persian Government will again apply to His Majesty's and the Russian Governments for an advance of money.

In these circumstances His Majesty's Government would not oppose any scheme for a loan to the Persian Government by a British group of sound standing, provided that the conditions of the transaction were such as could be approved by them and by the Russian Government.

I am, &c.

W. LANGLEY.

[23827]

No. 85.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, July 13, 1910.

WITH reference to Mr. Mallet's letter of the 11th April last relative to the desire of your company to place a launch and barges on the Upper Karun, I am directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's chargé d'affaires at Tehran, reporting that the Persian Minister for Foreign Affairs has addressed to him a note declining absolutely to comply with this wish.

Mr. Marling adds that he is making a strong remonstrance to the Persian Government on the subject.

I am, &c.

LOUIS MALLET.

[24829]

No. 86.

Foreign Office to Messrs. Latorance, Webster, Messer, and Nicholls.

Gentlemen,

Foreign Office, July 13, 1910.

WITH reference to your letter of the 19th May and subsequent correspondence, I am directed by Secretary Sir E. Grey to inform you that the Russian Government have intimated that they have no objection to the proposed transaction on the part of your clients with regard to the purchase of growing timber on the southern coast of the Caspian Sea.

Sir E. Grey has accordingly instructed His Majesty's chargé d'affaires at Tehran, by telegraph, to report on the points enumerated in your letter of the 19th May, and, in view of the concluding paragraph of that letter, he has requested a telegraphic reply, the cost of which will be notified to you in due course, in order that the amount expended may be remitted to the Chief Clerk of this Office.

I am, &c.
W. LANGLEY.

[25455]

No. 87.

Anglo-Persian Oil Company to Foreign Office.—(Received July 14.)

*Winchester House, Old Broad Street, London,
July 13, 1910.*

Dear Sir,

I BEG to acknowledge receipt of your letter of the 4th instant, addressed to the vice-chairman, advising that a copy of my letter of the 1st instant will be forwarded to Mr. Marling, to whom discretion will be given to act as he thinks best in regard to the matter dealt with therein.

The company's agents in Persia, under later date, write as follows:—

"We cannot make out where Mr. Marling got his information that the action of the Bakhtiari guards in camp had caused the company to shut down operations. The rumour is said to have emanated from Mohammerah and from one of the company's officials, but all our enquiries have failed to elicit any possible source. Can you find out and let us know what was the source of Mr. Marling's information? We shall be very glad if you can, because we suspect certain busybodies hereabouts."

And perhaps it might be well to pass on to Mr. Marling a copy of this also, if not troubling you too much.

I have, &c.
C. GREENWAY,
Managing Director.

[25508]

No. 88.

Mr. Marling to Sir Edward Grey.—(Received July 14.)

(No. 288.)

(Telegraphic.) R.

YOUR telegram No. 215.

Tehran, July 14, 1910.

I consider that there should be no difficulty to be feared from inhabitants if concession were obtained from Persian Government in a regular manner.

They are, moreover, used to timber-cutting operations.

[25563]

No. 89.

Sir Edward Grey to Sir G. Louthen.

(No. 174.)

(Telegraphic.) P.

Foreign Office, July 14, 1910.

A SUGGESTION has been made by M. Isvolsky that two Powers make representations to the Porte to stop persecution of Christians by Turkish Kurds in Urmia

district of Persia, and that, in view of her special position as regards Roman Catholics in the East, France should be asked to join. The representations would not include any protest against presence of Turkish troops in the district. I have concurred in this proposal, and you should concert with the Russian Ambassador as to carrying it out.

[23827]

No. 90.

Sir Edward Grey to Mr. Marling.

(No. 118.)

Sir,

Foreign Office, July 14, 1910.

I HAVE received your despatch No. 99 of the 13th ultimo, respecting certain questions at issue between the Anglo-Persian Oil Company and the Persian Government.

With regard to the first two paragraphs of your despatch, I approve your action in insisting on the importation duty free into Persia of office requisites for the use of the company's staff there, and I consider that such articles have a claim to be admitted free of customs duty under the terms of the company's concession, and irrespective of the course adopted by the Persian Government in the case of the Russian Road Company.

As regards the other articles for which free admission is claimed, as reported in Sir G. Barclay's despatch No. 2 of the 11th January, I have to request you to ascertain and report what is the practice in the case of similar articles imported by the Russian Road Company. If such articles are admitted free in that case, you should claim equal privileges for the Anglo-Persian Oil Company, but I do not consider that, in itself, the language of article 7 of the concession can be made to bear the extremely wide interpretation placed upon it by the oil company, so that, if the road company does not enjoy the privilege in question, I should not feel justified in claiming it for the oil company.

I understand from Sir G. Barclay that a list of articles which have been provisionally admitted free, but on which duty is claimed, will be communicated in due course to His Majesty's Legation by the Persian Government with a demand for payment. Should it appear that the Russian Road Company does not claim free admission for all the articles in respect of which such a claim is made by the oil company, it would be well to allow the question to rest until this list is received, and then to forward it to this department in order that it may be examined here and a decision reached as to which are the articles in respect of which His Majesty's Government could insist upon free importation.

I am, &c.
E. GREY.

[25647]

No. 91.

India Office to Foreign Office.—(Received July 15.)

Sir,

India Office, July 14, 1910.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 7th July regarding the expulsion by the Sheikh of Bahrein of an objectionable Persian merchant.

In reply, I am to say that Viscount Morley sees no objection to the course proposed.

I am, &c.
R. RITCHIE.

[25600]

No. 92.

Messrs. M. Samuel and Co. to Foreign Office.—(Received July 15.)

Sir,

*Shell House, 104 and 105, Bishopsgate Street,
London, July 14, 1910.*

WE are obliged for your favour of the 13th July, which you have caused to be sent to us, concerning the question of negotiating a loan with the Persian Government. We note that the situation in Persia has changed since our last correspondence on this

subject, and that now His Majesty's Government would be prepared, under certain conditions, to sanction a scheme for a loan to the Government mentioned.

We remain, &c.

M. SAMUEL AND Co.

[25607]

No. 93.

Sir Edward Grey to Mr. Marling.

(No. 217.)

(Telegraphic.) P.

Foreign Office, July 15, 1910.

QUESTION is being asked in Parliament concerning alleged bombardment and destruction of a Persian village on Caspian Sea by a Russian war-ship. Please report any information you may have.

[24762]

No. 94.

Sir Edward Grey to Mr. Marling.

(No. 119.)

Sir,

Foreign Office, July 15, 1910.

WITH reference to your despatch No. 68 of the 9th May on the subject of the attack on Mr. Bill, I transmit to you herewith, for your information, copy of correspondence between this department and the India office on the subject.*

I request that you will take the action suggested by Mr. Bill as regards the bestowal of a suitable reward on the Vakillbashi and the Persian Cossacks who accompanied him, if you see no objection to such a course and have not already taken the necessary steps to attain this object.

I am, &c.

E. GREY.

[25756]

No. 95.

Mr. Marling to Sir Edward Grey.—(Received July 16.)

(No. 289.)

(Telegraphic.) *En clair.*

Tehran, July 16, 1910.

SEYYID ABDULLAH MUJTEHED was assassinated last night. This may prolong Cabinet crisis.

[25647]

No. 96.

Sir Edward Grey to Mr. Marling.

(No. 219.)

(Telegraphic.) P.

Foreign Office, July 16, 1910.

BAHREIN.

Action proposed in your telegram No. 274 of the 3rd July approved.

[25386]

No. 97.

Foreign Office to India Office.

Sir,

Foreign Office, July 16, 1910.

WITH reference to your letter of the 11th instant, I am directed by Secretary Sir E. Grey to transmit to you, to be laid before the Secretary of State for India, the accompanying copy of a telegram from His Majesty's chargé d'affaires at Tehran,† respecting the contingent of consular guards due to arrive at Mohammerah on the 19th instant.

It will be observed that Mr. Marling enquires as to the destination of nine of the

* To India Office, June 16; India Office, July 8, 1910.

† No. 80.

men included in this contingent, since the Kermanshah escort, also due to be relieved in September, numbers only seven.

I am to request that Sir E. Grey may be furnished with the information necessary to enable him to reply to Mr. Marling's enquiries.

I am, &c.

W. LANGLEY.

[23821]

No. 98.

Foreign Office to India Office.

Sir,

Foreign Office, July 16, 1910.

I AM directed by the Secretary of State for Foreign Affairs to transmit to you herewith, copy of a despatch from His Majesty's chargé d'affaires at Tehran, relative to the manner in which Mr. Bill acted while in charge of His Majesty's consulate at Shiraz, and to inform you that Sir G. Barclay, to whom this paper has been shown, entirely concurs in the favourable opinion of that officer's conduct expressed by His Majesty's consul-general at Bushire in his letter to the Government of India.

I am to express Sir Edward Grey's desire that an expression of his appreciation of Mr. Bill's services at Shiraz may be conveyed to that gentleman, should Viscount Morley see no objection to such a course.

I am, &c.

W. LANGLEY.

[25764]

No. 99.

Mr. Marling to Sir Edward Grey.—(Received July 17.)

(No. 290.)

(Telegraphic.) R.

Tehran, July 17, 1910.

MY telegram No. 265 of 27th June.

Russian reliefs passed Julfa on 14th July. They number about 320, including 70 Cossacks.

Russian Minister has explained circumstances to Persian Government.

[25765]

No. 100.

Mr. Marling to Sir Edward Grey.—(Received July 17.)

(No. 291.)

(Telegraphic.) R.

Tehran, July 17, 1910.

YOUR telegram No. 217 of 15th July.

Russian Minister informed me as follows: About three weeks ago a Cossack of Astrabad consular guard was killed and another dangerously wounded by Mullah in connection with some trouble over Russian fisheries at Gumushtepe. Murderer and most of the villagers escaped. Gun-boat was sent from Ashurada, and on arrival fired three shots as warning. Murderer eventually surrendered to Russian frontier post, saying that he preferred to be tried by Russians rather than by Persians. He will be tried in Russia, and will probably not be executed, but indemnity will be exacted from villagers.

Incident caused no excitement here, and may be considered closed.

[25997]

No. 101.

Consul-General Cox to Sir Edward Grey.—(Received July 18.)

(No. 3.)

Sir,

Bushire, June 26, 1910,

I HAVE the honour, in order to save time, to forward to you direct copies and translations of the Sheikh of Mohammerah's territorial farmans, together with a copy

[1738]

2 B

of my despatch of to-day's date to His Majesty's chargé d'affaires, Tehran, giving cover to those forwarded to him.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident in the Persian Gulf, and His Britannic Majesty's Consul-General for Fars, &c.

Enclosure 1 in No. 101.

Consul-General Cox to Mr. Marling.

(No. 187.)
(Telegraphic.)

Bushire, June 23, 1910.

SHEIKH KHAZAL has now recovered his farmans and has shown them to Wilson, and has sent me copies. They are most favourable and entirely bear out his description of them. A copy of his agreement with the Anglo-Persian Oil Company has now been posted by him to the Minister of the Interior, together with copies of these farmans, as the agreement is based on the latter.

(Addressed to Tehran with reference to legation telegram No. 96, dated the 29th April, 1910, and previous correspondence, repeated to Foreign with reference to Bushire telegram No. 420, dated the 30th April.)

Enclosure 2 in No. 101.

Consul-General Cox to Mr. Marling.

(No. 42. Confidential.)
Sir,

Bushire, June 26, 1910.

IN continuation of the correspondence ending with my telegram No. 187, dated the 23rd June, 1910, I have the honour to forward for your information copies, with translations, of the farmans conferred on the Sheikh of Mohammerah by His Majesty Mozaffar-ed-Din Shah in respect of the lands now occupied by himself and his tribesmen.

The papers submitted consist of the following:—

1. Farman dated Shawal, 1320 (January 1903), for territory at Mohammerah, Jazirat-ul-Khazra (Abadan Island), Bahmanshir, and Karun.
2. Instructions to His Highness Salar-ed-Dowleh to give effect and recognition to 1. Shawal, 1320 (January 1903).
3. Farman dated Shawal, 1320 (January 1903), for lands at Hindyan and Dehmulla.
4. Instructions to His Royal Highness Salar-ed-Dowleh to recognise and give effect to 3.

You will, I think, agree with me in thinking that the terms of the farmans are very explicit and satisfactory, and bear out the description of them given us verbally by Sheikh Khazal. The word translated "usual" in the expression "usual annual revenue" wherever it occurs is "ma'mooli." This, I submit, means "established by usage of the past up to now," and could not mean "which may be established by the usage of the future." The Sheikh claims the words to mean that his revenue assessment can never be increased; and he appears to be justified in the contention.

I am sending copies and translations of the farmans and of this letter simultaneously to His Majesty's Foreign Office and the Government of India for information.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident in the Persian Gulf, and His Britannic Majesty's Consul-General for Fars, &c.

[Enclosure 3 in No. 101.]

Farman, dated Shawal, 1320 (January 1903), for Territory at Mohammerah, Jazirat-ul-Khazra (Abadan Island), Bahmanshir, and Karun.

THAT as regards the Government lands at Mohammerah, Jazirat-ul-Khazra, Bahmanshir and Karun, where the Arabs and the tribes and tribesmen of his Excellency Sheikh Khazal Khan Moez-es-Sultaneh Sardar-i-Arfaa, have from the time of their forefathers and grandfathers up to now, grown date-palms and trees, and constructed buildings and (as they) have used efficient endeavours and ample exertions in reviving and causing the said lands and localities to flourish, and left no means unused in performing the services of the Government—which may endure for ever—therefore, in order to bestow kingly graces and royal favours, we have, in this auspicious year Pars Eel, left and granted all the said localities and lands as perpetual property to the Sardar-i-Arfaa and his Arabs and tribes, so that they may pay the Highest Government every year the usual annual revenue, and the present and future governors of Arabistan will have no right to demand a single cent in addition to the usual annual revenue. And we also leave and grant to the Sardar-i-Arfaa himself all the lands which are barren and without date-palms and trees up to now, as perpetual property, so that he may give them to his tribe and tribesmen who should grow date-palms and trees (thereon), and do the needful towards rendering the place populous; and the Highest Government will have no right to take possession of, and to interfere with, those properties. Should any of the said lands be ever required for the Government, they should pay reasonable price to the Sardar-i-Arfaa, and then take possession thereof. In like manner the Sardar-i-Arfaa with the Arabs of his tribe and tribesmen, have no right to sell or transfer their properties, trees, date-palms, and lands to foreign subjects. They should occupy themselves with the utmost zeal in causing the places to flourish, and are permitted and empowered to exercise in the said lands and properties the possessory rights of ownership of every kind.

It is hereby ordered that the respected Mostowfis (Government secretaries) should register and record a copy of this august Farman, and consider it their duty to do so.

Dated the month of Shavval Pars Eel, 1320 (January 1903).

(Seal of Mozaffar-ed-Din Shah.)

Seals on the reverse:

ATABEG-I-AZAM.
MUSHIR-ED-DOWLEH.
VAZIR-I-DAFTAR.

Enclosure 4 in No. 101.

Instructions to His Highness Salar-ed-Dowleh respecting Farman for Territory at Mohammerah, Jazirat-ul-Khazra (Abadan Island), Bahmanshir, and Karun.

Salar-ed-Dowleh,

IN accordance with the Royal Farman which you will have the honour to peruse, the Government lands at Mohammerah, Jazirat-ul-Khazra, Bahmanshir, and Karun, on which, from ancient times up to now, the Arabs and the tribe and the tribesmen of Sheikh Khazal Khan Moez-es-Sultaneh Sardar-i-Arfaa have grown date-palms and trees, and constructed buildings, and which they have first caused to flourish, have been left and granted to him by us as perpetual property in this auspicious year Pars Eel, so that he may pay every year the usual annual revenue of those places to the governors of Arabistan without a single additional cent, and he is permitted and empowered to dispose of those lands and localities the possessory rights of ownership of every kind.

You, my noble son, should give effect to the purport and sense of the Royal farman and of this august autograph. The Sardar-i-Arfaa should remain at ease and engage himself in rendering services by performing State affairs and guarding the territory.

Dated the month of Shawal, 1320.

(Royal Seal.)

Seal on the reverse:

ATABEG-I-AZAM.

(Seal of Mozaffar-ed-Din Shah.)

Enclosure 5 in No. 101.

Farman, dated Shawal, 1320 (January 1903) for Lands at Hindyan and Dehmulla.

THAT whereas the benignant and Royal attention is always directed and set upon the tranquillity of the towns, the ease of the people and the enhancement of improvement and agriculture, therefore in view of the good services of His Excellency Sheikh Khazal Khan Moez-es-Sultaneh Sardar-i-Arfaa, and of his forefathers and grandfathers, which are always under the Royal consideration and (of the fact that) he has always delighted and pleased the Royal mind by his good services and complete straightforwardness (and) in order to bestow kingly graces and Royal favours we have, in this auspicious year Pars Eel left and granted to him, as perpetual property the whole of Hindyan and Dehmulla which are a part of his jurisdiction, together with the lands on the East of Karun which are the place of his cultivation, so that he may with the utmost hopefulness and extreme zeal busy himself in augmenting the improvement of those two places, and only pay the usual annual revenue to the Highest Government. And the present and the future governors of Arabistan will not have the right to demand a single cent in addition to the usual annual revenue, and the Sardar-i-Arfaa also will not have the right to sell or transfer the said properties to foreign subjects. He should, with the utmost efficient endeavours and ample exertions, use precautions towards extending agriculture and conducing ease to the subjects more than before, and he is permitted and empowered to exercise in the said localities the possessory rights of ownership of every kind. The Government will not have the right to take possession thereof.

It is hereby ordered that the respected Mostowfis (Government secretaries) should register and record a copy of the august Farman, and consider it their duty to do so.

Dated the month of Shavval Pars Eel, 1320.

(Seal of Mozaffar-ed-Din Shah.)

Seals on the reverse :

ATABEG-I-AZAM.

VAZIR-I-DAFTAR.

MUSHIR-ED-DOWLEH.

Enclosure 6 in No. 101.

Instructions to His Highness Salar-ed-Dowleh to recognise and give effect to Farman, dated Shawal, 1320 (January 1903) for Lands at Hindyan and Dehmulla.

Salar-ed-Dowleh,

HINDYAN and Dehmulla, which are the property of the Government and a part of the jurisdiction of Sheikh Khazal Khan Moez-es-Sultaneh Sardar-i-Arfaa, have been left and granted to him by us as perpetual property in this happy year Pars Eel in accordance with a separate farman and this royal and august autograph, so that he may every year pay the usual annual revenue of those two places to the officials in charge of the Government affairs; and the present and future governors should not demand from him a single cent in addition to the usual revenue, and should consider these two places as his lawful property, act and proceed according to the sense of (this) august autograph, and consider it their duty to do so.

Dated the month of Shawal Pars Eel, 1320.

(Royal Seal.)

Seal on the reverse :

ATABEG-I-AZAM.

(Seal of Mozaffar-ed-Din Shah.)

[26069]

No. 102.

Mr. Marling to Sir Edward Grey.—(Received July 18.)

(No. 292.)

(Telegraphic.) P.

Gulahek, July 18, 1910.

SEYYID ABDULLAH.

In continuation of my telegram No. 289 of the 16th July, I have the honour to report that the murder was committed in victim's house, in presence of his son and of

four other persons, by four fedais. It is not expected that any attempt will be made to punish the murderers, as witnesses dare not identify them.

Motives of the crime are said to be revenge for the denunciation pronounced by the mujtehedes of Nejef recently against Taghi Zadeh, and very strong religious feeling has been raised against the Nationalist party in consequence. The indignation of clergy finds an echo in the best public opinion; it is felt that the capital is being terrorised by the fedais, and an appeal to the joint legations by bast in the villages of Gulahek and Zerguendeh is even talked of.

Nationalists may be obliged to take office, as the Sipahdar has refused to return except on his own terms, which would probably include dissolution of Medjliss. The formation of a Cabinet, however, will be most difficult and its term of office likely to be brief.

For the last two days bazaars have remained closed, but disorder is not feared at present.

[26086]

No. 103.

Mr. Marling to Sir Edward Grey.—(Received July 18.)

(No. 293.)

(Telegraphic.) P.

Gulahek, July 18, 1910.

WITH reference to my telegram No. 281 of the 8th July.

There is an increase of general insecurity on roads, and reports from Hamadan announce serious disorder in that town. Nothing has been done by the Government, and nothing will be done unless they are forced by a sufficiently strong warning to transfer their energies from the pursuit of party intrigues to the restoration of order, and I submit that I may be authorised to make communication suggested in my despatch No. 114 of the 2nd July, which is due to reach London on the 18th July.

[26087]

No. 104.

Mr. Marling to Sir Edward Grey.—(Received July 18.)

(No. 294.)

(Telegraphic.) P.

Gulahek, July 18, 1910.

GOVERNOR-GENERAL of Tabreez.

Please refer to my telegram No. 260 of the 20th June.

Mukhber-es-Sultaneh, Governor-General of Tabreez, has not yet been recalled by the Persian Government in accordance with the demand of the Russian Minister. There is now a question of appointing him Minister of the Interior and of thus complying with M. Poklewski's demand. M. Poklewski has been instructed to inform the Persian Government that good relations would be prejudiced by such an appointment, and he is about to convey this message to the Regent.

[26101]

No. 105.

Sir A. Nicolson to Sir Edward Grey.—(Received July 18.)

(No. 204.)

(Telegraphic.) R.

St. Petersburg, July 18, 1910.

PERSIA: Oil syndicate loan.

Your telegram No. 374 of 7th July.

I have received a memorandum from the Russian Government which argues that in the identic note of the two legations of 7th April it was stipulated that the conversion of the debts due to the Russian and British Banks should precede any loan made to the Persian Government other than those which might be made by Russian and British Governments; that British Bank has succeeded in converting its debts, but that Russian Bank has not yet done so.

Russian Government believe that oil syndicate's offer has not been eagerly received by the Persian Government, as other financiers are pretending that they can supply large sums at 5 per cent. interest, which is manifestly impossible.

[1738]

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Russian Government still maintain the condition laid down in the identic note, but have no desire to oppose discussions between the oil syndicate and the Persian Government as to an advance, and hope that they may be kept informed of the course of the negotiations.

(Sent to Tehran.)

[25383]

No. 106.

Sir Edward Grey to Sir E. Goschen.

(No. 181. Confidential.)

Sir,

Foreign Office, July 18, 1910.

HERR VON STUMM, lately Conncillor of the German Embassy in London and now an official of the Ministry of Foreign Affairs at Berlin, paid recently a short visit to this country.

In the course of his stay in London he arranged to call on Mr. Parker, of this Office, at his private house, and spoke to him of the relations between Great Britain and Germany.

Herr von Stumm criticised with considerable warmth the attitude of His Majesty's Government towards the German Government, and, amongst many other expressions of dissatisfaction, complained of their delay in replying to the recent memorandum of the German Chancellor suggesting a method of settling the questions at issue between the two countries.

In the light of a reperusal of my recent despatches on this subject, more especially of my despatch to your Excellency No. 148 of the 31st May and after reading your despatch No. 194, Confidential, of the 3rd July containing an account of your recent interview with Herr von Bethmann-Hollweg, I feel that too much importance need not be attached to Herr von Stumm's complaint.

Only six weeks have elapsed since my interview with the German Ambassador here, recorded in my despatch No. 148 of the 31st May, and in the circumstances there appears to me to be no pressing need for a reply, while the policy of not moving further till the Russian Government have given their long-promised answer respecting a Russo-German understanding with regard to Persian affairs offers certain advantages.

As your Excellency is aware, His Majesty's Government are at this moment in communication with the Russian Government for the settlement of the question whether the negotiations between the two Powers and Germany should be conducted jointly or only simultaneously.

I am, &c.

E. GREY.

[25508]

No. 107.

Foreign Office to Messrs. Lauerance, Webster, Messer, and Nicholls.

Gentlemen,

Foreign Office, July 18, 1910.

WITH reference to my letter of the 13th instant, I am directed by Secretary Sir E. Grey to inform you that a telegram, dated the 13th July, has now been received from His Majesty's chargé d'affaires at Tehran, containing his observations on the several points raised in your letter of the 19th May on the subject of a contract for the purchase of growing timber on the southern coast of the Caspian Sea.

Mr. Marling remarks that Persian law on certain of the points enumerated is exceedingly vague, and that it is impossible to make positive statements with regard to them, but, subject to this reservation, he reports as follows:—

1. As regards the first point, Mr. Marling thinks that the Persian Government would probably raise difficulties to the acceptance of the contract in the form stated unless the vendor's rights in the land had been formally recognised by them.

2.—(a.) The Turkish Embassy assert that the rights of a Turkish subject to own land in Persia are uncontested; but Mr. Marling is not sure that the Persian Government would admit this.

(b.) The answer is in the affirmative.

3. Mr. Marling knows nothing of the vendor's status; the Turkish Embassy know nothing as to his position, except that he is described in their register as a commission

agent. Mr. Marling adds that, without seeing the title-deeds, it is impossible to say whether or not he is the owner of the land.

Mr. Marling states that a British company could not own land except by virtue of a concession, unless the permission of the Persian Government were obtained in the form of their approval of the preliminary contract. It would be impossible for His Majesty's Government, in view of the terms of the Anglo-Russian agreement, to support an application for a concession in the Russian sphere, and, in these circumstances, Sir E. Grey would advise your clients to insist on the vendor obtaining from the Persian Government recognition of the preliminary contract as the only safe alternative to a concession.

As bearing more or less on this point, Mr. Marling suggests that the vendor should be asked to furnish proofs of his ability to carry out the undertakings in clauses 11, 12, 13, and 14, undertakings which might not meet with the approval of the Persian Government.

5. This point is dealt with in your letter of the 1st June.

6. Mr. Marling does not consider that any difficulty is to be feared from the inhabitants if the contract is approved by the Persian Government, the more so as the former are used to timber-cutting operations.

I am, &c.

W. LANGLEY.

[25385]

No. 108.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, July 18, 1910.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 8th instant, respecting the difficulties which have arisen in consequence of the refusal of the Persian Government to grant permission for your company's barges to be placed on the river Karun.

I am to inform you that on the receipt of your letter, Sir E. Grey addressed a telegram to His Majesty's chargé d'affaires at Tehran, setting forth the circumstances which had arisen, and instructing him to urge the Persian Government to grant permission to your company as desired, as well as facilities for the execution of the concession granted by them.

Mr. Marling has now reported that he had received similar information from His Majesty's vice-consul at Mohammerah who, moreover, anticipating no objection from the local authorities, had advised your agent to use the company's own barges. This advice had been approved by Mr. Marling, who had already warned the Persian Government that this would be done if no satisfactory arrangement could be made with Muin-ut-Tajjar.

Mr. Marling adds that he has now renewed his representations to the Persian Government as instructed.

I am, &c.

W. LANGLEY.

[26169]

No. 109.

India Office to Foreign Office.—(Received July 19.)

Sir,

India Office, July 18, 1910.

IN continuation of my letter of the 11th July, 1910, as to the dispatch of a detachment to Mohammerah in relief of the Tabreez escort, I am directed to enclose copy of a further telegram from the Viceroy, reporting that the men will probably leave Kurrachee on the 16th instant. I am to request that His Majesty's Minister at Tehran may be informed accordingly.

With regard to the enquiry made in your letter received to-day, I am to express regret that, owing to a misunderstanding of the Viceroy's telegram of the 7th July, you were incorrectly informed in my letter of the 11th July as to the strength of the relieving party. It would appear that the detachment consists of six men only, viz., one dafadar and five sowars, of the 19th Lancers, who have been sent to relieve the

escort at Tabreez. Lord Morley would be obliged if this could be explained to His Majesty's Minister at Tehran.

I am, &c.
R. RITCHIE.

Enclosure in No. 109.

Government of India to Viscount Morley.

(Telegraphic.) P.

July 14, 1910.

TABREEZ escort (see my telegram dated the 7th instant). 16th instant is the probable date on which relieving detachment will leave Kurrachee; it has been delayed. I should be glad if His Majesty's Minister, Tehran, could be informed.
(Repeated to resident, Persian Gulf.)

[26236]

No. 110.

Mr. Marling to Sir Edward Grey.—(Received July 19.)

(No. 295.)

(Telegraphic.) R.

Tehran, July 19, 1910.

YOUR telegram No. 198 of 28th June.

Communication respecting Valiahd was in the nature of a circular letter addressed by the Regent to all chiefs of State, and simply announced that Prince Mohanmed Hassan is heir-apparent. Persian Government do not require answer, and none seems necessary, as constitution provides for succession to throne.

Letter addressed to King Edward should have arrived about the middle of May, but may have been mislaid.

Shall I ask for copy?

[26169]

No. 111.

Sir Edward Grey to Mr. Marling.

(No. 220.)

(Telegraphic.) P.

Foreign Office, July 19, 1910.

TABREEZ escort.

See your telegram No. 287 of the 13th July.

Strength of detachment sent to relieve escort is six men only, one dafadar and five sowars of the 19th Lancers, who probably started from Kurrachee on the 16th instant.

India Office say that mistake was due to misinterpretation of telegram from Viceroy.

[26338]

No. 112.

Count Benckendorff to Sir Edward Grey.—(Received July 20.)

*Chesham House, Chesham Place, London,
July 19, 1910.*

Dear Sir Edward,

THE telegram concerning which, under instruction of M. Isvolsky, I asked to-day your opinion has been addressed to him by M. Tcharykoff. It says:—

“Ne pensez-vous pas qu'il y aurait utilité d'ajouter à la communication projetée que la présence des troupes turques dans certains villages sunnites du district d'Ourmiah, tout en n'ayant, d'après les déclarations du Gouvernement turc, qu'un caractère purement provisoire, contribue à entretenir parmi les Kurdes locaux de l'insubordination aux autorités persanes, et qu'une des mesures les plus aptes à mettre fin à l'état de choses déplorable actuel serait le remplacement forcé de ces troupes turques par des troupes persanes aussitôt que celles-ci arriveront sur les lieux?”

Yours very sincerely,
BENCKENDORFF.

[26346]

No. 113.

Sir A. Nicolson to Sir Edward Grey.—(Received July 20.)

(No. 207.)

(Telegraphic.) P.

St. Petersburg, July 20, 1910.

SITUATION at Tehran.

At my interview with M. Isvolsky to-day his Excellency read to me several telegrams from M. Poklewski. M. Poklewski anticipated that a number of people were about to take bast at the British and Russian summer Legations, and that their demands would be as follows:—

1. The arrest of the murderers of the mujtehed Seyyid Abdullah.
2. The expulsion of the foreign fedais.
3. The establishment of a Senate, the dissolution of the Medjliss, and an order for new elections.

M. Poklewski's view was that the two legations might support these demands.

M. Isvolsky thinks that it should be left to the two representatives to decide what course should be followed with regard to the threatened bast, and he said that he saw no objection to their intimating that the three demands enumerated above had their support. I remarked that the two legations would be sailing very close to intervention in Persia's internal affairs if they supported demand No. 3, while the same objection might perhaps be offered to supporting demand No. 2. To this M. Isvolsky replied that he would not insist on supporting the demands if you offered objections of the nature which I had suggested, as he considered it essential for the two Governments to act together in perfect harmony. In his opinion, wide latitude should be left to the representatives on the spot, for the situation was changing from hour to hour, and it was difficult for those at a distance to form any judgment upon it.

I did not allude in our conversation to the withdrawal of the Russian force from Kazvin, as the moment did not seem opportune for any reference to the matter, in view of the uncertainty of the situation at Tehran.

M. Poklewski gave M. Isvolsky to understand that a Cabinet of extreme nationalist views might be formed, and M. Isvolsky was of opinion that the formation of such a Cabinet should be discouraged by the two representatives.

[26236]

No. 114.

Sir Edward Grey to Mr. Marling.

(No. 221.)

(Telegraphic.) R.

Foreign Office, July 20, 1910.

YOUR telegram No. 295 of 19th July: Recognition of the Valiahd.

Letter not received. Please send copy.

[25363]

No. 115.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, July 20, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 12th instant, enclosing a private communication of the same date addressed to Mr. Norman.

I am to inform you, in reply, that Sir E. Grey sees no objection to your proposal to communicate the correspondence referred to in your letter to Messrs. Andrew Weir and Co. and to Muin-ut-Tujjar, but that he understands from the last paragraph of that letter that you have already acted on the suggestion so far as the former are concerned.

With regard to the statement contained in Foreign Office letter of the 8th July, to which you refer, to the effect that Muin declined to permit Abbas Kuli Khan to take a copy of the firman of 1904 and to the inference which you draw therefrom, that the copy of that document, at present in the possession of His Majesty's Legation at Tehran, was not obtained from Muin, I am to explain that the latter refused to communicate a copy to Abbas Kuli Khan when he showed him the paper in 1907, and that the copy at present in the legation, from which was made the translation in your possession, was obtained from Muin, but only at the end of 1908.

[1738]

I am to express Sir E. Grey's regret that this point was not made clear in the letter referred to.

With reference to the penultimate paragraph of your letter to Mr. Norman, I am to state that your firm, equally with Messrs. Weir, will receive diplomatic support from His Majesty's Government in your endeavours to recover such sums as you may have lost through the breach of the contract signed by you, as Muin's agents, with Messrs. Weir, so long as these sums represent profits guaranteed to you by the terms of that contract, which, as you are aware, Sir E. Grey has never had the opportunity of perusing.

His Majesty's Government could not, however, undertake to afford that support in respect of any claim which you might put forward without examination of its items, but would have to satisfy themselves that inclusion of each of these was justified, and the amount claimed not excessive. This condition would, of course, apply equally to any claim put forward by Messrs. Weir.

I am, &c.
W. LANGLEY.

[25455]

No. 116.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, July 20, 1910.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 13th instant respecting the alleged trouble caused at the company's works in consequence of the conduct of the Bakhtiari guards.

I am to inform you that a copy of your letter will be sent to His Majesty's chargé d'affaires at Tehran with instructions to report on the origin of the information in question.

I am, &c.
W. LANGLEY.

[26353]

No. 117.

Sir A. Nicolson to Sir Edward Grey.—(Received July 21.)

(No. 316.)

Sir,

St. Petersburg, July 18, 1910.

WITH reference to your telegram No. 374 of the 7th July, I have the honour to transmit copy of an *aide-mémoire* from the Ministry for Foreign Affairs on the subject of the proposed loan to the Persian Government by the Anglo-Persian Oil Company.

I have, &c.
A. NICOLSON.

Enclosure in No. 117.

Aide-mémoire.

LE Gouvernement Impérial, ayant pesé les considérations exposées dans l'*aide-mémoire* de l'Ambassade britannique du 25 juin (8 juillet), année courante, se fait un devoir d'attirer l'attention de l'Ambassade sur ce qui suit :—

Ainsi que l'Ambassade voudra bien se rappeler, il avait été stipulé dans la note identique des deux légations au Ministre des Affaires Étrangères à Téhéran en date du 25 mars (7 avril), année courante, que la conversion des dettes du Gouvernement persan à la Banque d'Escompte et des Prêts, ainsi qu'à la Banque Impériale de Perse, devait précéder tout emprunt de la part dudit Gouvernement en dehors des Gouvernements russe et anglais. Le Gouvernement Impérial ne saurait se départir de cette condition, d'autant plus que la conversion des engagements persans envers la Banque Impériale de Perse a été réglée depuis, tandis que la même opération par rapport aux dettes contractées à la Banque d'Escompte et des Prêts reste en suspens, uniquement par suite de l'inertie habituelle du Gouvernement persan et de son espoir, évidemment illusoire, d'obtenir l'argent nécessaire pour l'amortissement complet de ses dettes à la Russie et à l'Angleterre. D'après les renseignements dont dispose le

Ministère Impérial, la société Anglo-Persian Oil aurait déjà proposé de faire une avance au Gouvernement persan, mais cette offre n'a pas rencontré un accueil empressé, et cela non pas à cause de la question de la conversion des engagements envers la Banque russe, mais par suite de certaines propositions de quelques autres financiers qui prétendent être en mesure de procurer à la Perse des dizaines de millions à 5 pour cent, ce qui, au point de vue de l'état économique du pays et du crédit dont il peut jouir en ce moment, est évidemment irréalisable.

Sans renoncer pour le moment à la susdite condition, qu'il croit devoir maintenir, le Gouvernement Impérial n'a cependant nullement l'intention de s'opposer aux pourparlers entre la société Anglo-Persian Oil avec le Gouvernement persan au sujet de l'avance, tout en espérant qu'il sera tenu au courant de la marche de cette affaire.

Saint-Petersbourg, le 4 (17) juillet, 1910.

[26400]

No. 118.

Anglo-Persian Oil Company to Foreign Office.—(Received July 21.)

Winchester House, Old Broad Street, London,

July 20, 1910.

Dear Sir,

I BEG to acknowledge receipt of your letter of the 18th instant, advising (1) dispatch by Sir Edward Grey of a telegram to His Majesty's chargé d'affaires at Tehran instructing him to urge the Persian Government to grant the permission desired in respect to placing barges on the Upper Karun, as well as facilitate the execution of our concession; and (2) receipt of a telegram from Mr. Marling reporting that the British consul at Mohammerah had advised our agents to place our barges on the Upper River, and that this advice had been approved by Mr. Marling, who had already warned the Persian Government that this would be done if no satisfactory arrangement could be made with the Muin-ut-Tujjar.

I am desired by my board to express their thanks for the assistance that Sir Edward Grey and Mr. Marling have kindly given the company in this matter.

I am also desired to mention that the course which has been taken is the one recommended by our agents, who have all along assured us that no objection to the placing of our barges on the Upper River would be raised by the local Persian officials or others; and that since the Muin-ut-Tujjar's concession has already been violated, both by his failure to provide adequate carrying facilities, and by the permission which has been granted to others (both Persians and British) to ply barges and other craft on the river, he can advance no valid ground of objection to our being permitted to run such boats as may be necessary to carry our material.

I have, &c.

C. GREENWAY,
Managing Director.

[26428]

No. 119.

Messrs. Lawrance, Webster, Messer, and Nicholls to Foreign Office.—(Received July 21.)

14, Old Jewry Chambers, London,

July 20, 1910.

Sir,

WE have the honour to acknowledge the receipt of the Secretary of State's letter of the 18th instant, and, on behalf of our clients, we beg to thank you for the information therein contained, which has our careful attention.

Our clients are arranging to send out to Persia a gentleman familiar with the language and official circles there, to whom the information contained in your letter will be of great value, and we have no doubt that, in accordance with the Secretary of State's advice, he will be able to arrange for the vendor to obtain from the Persian Government recognition of the preliminary contract.

We are, &c.

LAWRANCE, WEBSTER, MESSER,
AND NICHOLLS.

[26521]

No. 120.

M. Isvolsky to Count Benckendorff.—(Communicated to Foreign Office, July 21.)

TÉLÉGRAMME de M. Poklewski en date du 6 (19) juillet, année courante :—

"L'identité des assassins de Seyyid Abdullah est connue, mais ils n'ont été jusqu'ici l'objet d'aucune mesure, malgré les requêtes adressées au Régent par de nombreuses députations.

"Sur les instances du Medjliss, Moustafi-ul-Mematouk, qui avait d'abord renoncé à sa tâche difficile, a fait une nouvelle tentative de former un Cabinet composé d'extrêmes nationalistes.

"Les bazars ont continué à rester fermés hier.

"Les bruits d'un prochain best dans les deux légations se précisent. S'il est donné suite à cette intention, on se propose de formuler les demandes suivantes :—

"1. Arrestation des assassins de Seyyid Abdullah.

"2. Expulsion de Perse des fédais étrangers, qui servent d'instrument de terrorisme et d'appui principal aux extrêmes nationalistes.

"3. Institution d'un Sénat ou même dissolution du Medjliss actuel avec fixation de nouvelles élections à une date rapprochée.

"La réalisation d'un pareil programme pouvant considérablement contribuer à la pacification de la Perse, il existe, semble-t-il, l'espoir que, au cas d'un best en masse, les deux légations trouveront possible d'appuyer ces exigences.

"L'assassinat de Seyyid Abdullah a éveillé, non sans fondement, des appréhensions pour leur propre vie parmi plusieurs personnalités en vue, comme Sipahdar et Sardar Mansour, et par suite l'idée du best est accueillie par eux avec beaucoup de faveur."

[26346]

No. 121.

Sir Edward Grey to Mr. Marling.

(No. 222.)

(Telegraphic.) P.

Foreign Office, July 21, 1910.

PLEASE give me your views on St. Petersburg telegram No. 207 of yesterday, concerning probable demands of refugees.

[25144]

No. 122.

Mr. Norman to Mr. Greenway.

(Private and Confidential.)

Dear Mr. Greenway,

Foreign Office, July 21, 1910.

I SEND you, for your confidential information, a copy of a despatch from Mr. Marling, enclosing a copy of a report from Mr. Ranking, our consul at Ahwaz, relative to the recent negotiations between your company and certain of the Bakhtiari Khans with regard to the purchase of the land required by the former for pipe lines and works.*

It is clear that the information contained in these papers is of value to the company, and ought to be communicated to them, but there are in Mr. Ranking's despatch some remarks about Mr. Reynolds which might not only impair the position of that gentleman in the eyes of the company but injuriously affect his relations with Mr. Ranking himself (with whom his business brings him into constant contact), to the detriment of the company's interests.

It therefore seems best to send you the papers in this way, so that the company may acquire, through you, the information which they contain, but may not be officially apprised of the strictures which have been passed on Mr. Reynolds.

I should add that we concur in the recommendations made by Messrs. Marling and Ranking in these despatches, and hope that the company may see their way to carry them out.

I am, &c.

H. NORMAN.

[26469]

No. 123.

Sir F. Bertie to Sir Edward Grey.—(Received July 22.)

(No. 283.)

Sir,

Paris, July 20, 1910.

I HAVE the honour to acquaint you that Mr. Carnegie was to-day informed by M. Nekludoff, Russian chargé d'affaires, that the views of his Government were identical with those of His Majesty's Government as conveyed to me in your despatch No. 261 of the 19th May, relative to the question of granting protection to Zil-es-Sultan.

I have accordingly addressed a letter, copy of which I enclose, to Prince Bahram, who communicated to His Majesty's Embassy Zil-es-Sultan's desire for protection, informing his Highness that His Majesty's Government see no sufficient reason to renew the assurances of protection formerly accorded to His Imperial Highness.

I have furnished M. Nekludoff, at his request, with a copy of my letter to Prince Bahram.

I have, &c.

FRANCIS BERTIE.

Enclosure in No. 123.

Sir F. Bertie to Prince Bahram Sardar Massoud.

Sir,

Paris, July 20, 1910.

I HAVE the honour to refer to correspondence between your Highness and this embassy relative to the question of British protection for His Imperial Highness Zil-es-Sultan, and to inform you that the matter was submitted by His Majesty's Embassy for the consideration of His Majesty's Government.

I have received instructions from Sir Edward Grey to inform His Imperial Highness Zil-es-Sultan that His Majesty's Government see no sufficient reason to renew the assurances of protection formerly accorded to him.

As your Highness was the medium of communication of His Imperial Highness's application to His Majesty's Government, I have the honour to apprise you, for the information of Zil-es-Sultan, of the decision of His Majesty's Government.

I have, &c.

FRANCIS BERTIE.

[26551]

No. 124.

Mr. Marling to Sir Edward Grey.—(Received July 22.)

(No. 296.)

(Telegraphic.) En clair.

Tehran, July 22, 1910.

YOUR despatch No. 108 (assurances to Sheikh of Mohammerah).

Post between Tehran and Bushire being so unreliable, I suggest copy should be sent direct by you to Cox for his information and guidance.

[26599]

No. 125.

Mr. Marling to Sir Edward Grey.—(Received July 22.)

(No. 297.)

(Telegraphic.) P.

Gulahck, July 22, 1910

SITUATION in Tehran.

With reference to your telegram No. 222 of the 21st July and to Sir A. Nicolson's telegram No. 207 of the 20th July, I have the honour to report that the bazaars are still closed, and a numerous and representative crowd is assembled at a mosque in the bazaar demanding the arrest of the fedais who committed the murder, and compliance with the recommendations of the Mujtahids of Nejeff, which include, among other matters, the expulsion of Taghi Zadeh. Attitude of this assemblage is tantamount to a strong demonstration against the extreme nationalists and the present National Assembly which is controlled by them. In view of these facts, it appears unlikely

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that an extreme nationalist Cabinet will be formed, and there is reason to hope that demonstrators may gain their object without the question of recourse to the two legations being raised.

Some indirect support has already been furnished to one of the above demands in the following circumstances by Russian Legation. A statement appeared some days ago in a nationalist paper to the effect that Russia had instigated the assassination of Seyyid Abdullah. M. Poklewski has insisted on the publication of an official *démenti*, and he is urging that the murderers be brought to justice.

Expulsion of foreign fedais would be most desirable, for the ultra-Nationalist party, who have engineered the present crisis, rely mainly on these terrorists to maintain their authority, and I venture to submit that we should support a Cabinet that would undertake to expel them from the country. I understand that some of the leaders are Russian subjects, and M. Poklewski would be quite ready to co-operate with the Persian Government in this measure.

With reference to the question of bast, we can take the necessary precautions to prevent it in our legation grounds, but, as in 1908, so likewise now, it will be impossible to prevent it in our villages.

All action on the part of the two legations will tend to bring back the Sipahdar to power on his own terms. These, I believe, would include one or both of the demands enumerated under point 3 of St. Petersburg telegram No. 207. His re-assumption of office would open the way to good relations with England and Russia.

I have refrained from telegraphing earlier, as I wished to convince myself that the present manifestations are spontaneous and not a party device.

[26575]

No. 126.

Sir Edward Grey to Mr. Marling.

(No. 223.)

(Telegraphic.) P.

Foreign Office, July 22, 1910.

I SHOULD be glad if you would, after consultation with the Russian Minister, give me your views as to the following proposals before I submit them to Russian Government:—

If, as I presume, you still think that there is little hope of the Persian Government applying to the two Powers of their own accord, it seems that we should, in view of Persia's urgent need for money, inform all who signify their readiness to make an advance to Persia that His Majesty's Government will not stand in the way of such undertakings, provided that securities for loan do not in any way affect those already pledged for service of debts owed to the two Powers and banks, and that the lenders are British and of sound financial standing. We should add that His Majesty's Government cannot hold themselves responsible in connection with these private loans.

It is clear, however, that this method of financing Persian Government cannot be resorted to for some months, in view of Russian insistence on condition that completion of arrangement for consolidation of Persian Government's debt to Russian Bank must precede any loan of this sort.

The situation, therefore, will continue to grow worse, owing to this delay, and there will be little chance of quelling disorders, especially in Southern Persia, so that probability that Persian Government in despair will apply to some third Power must increase.

I presume that if this happened, and that if the third Power were ready to make an unconditional advance, the two Powers would be forced to raise objections. In this case the third Power could easily reply that the justification of the special position occupied by Russia and Great Britain in Persia is simply the introduction of good government and the maintenance of order in the country, and could point out that the present aggravated situation is due to the fact that, while they will not allow Persian Government to obtain loan from any other source, they refuse to lend it themselves, except on onerous conditions. I do not see how this argument could be met, and I think Powers would be in a far stronger position if they offered Persian Government at once, on their own initiative, and with no conditions beyond such as relate to repayment and security, an advance of 400,000*l.* The offer of advance might be accompanied by intimation that it is made on the understanding that it will be expended on reorganisation of financial administration, on restoration of order and security.

If they accept, we shall thus have attained our object. If they refuse, we should

then have good grounds for declining to allow them to borrow from a third Power, since, if we leave the offer open, they cannot justify themselves by alleging that we are unwilling to lend.

We should also be in a stronger position for making the representations you suggest in your despatch No. 114 of the 2nd July, with regard to which I shall shortly telegraph separately.

[26236]

No. 127.

Sir Edward Grey to Mr. Marling.

(No. 224.)

(Telegraphic.) P.

Foreign Office, July 22, 1910.

RECOGNITION of Valiahd. Please refer to your telegram No. 295 of the 19th July.

For procedure on last occasion see correspondence ending with my telegram No. 8 of the 14th January, 1907, to Sir C. Spring-Rice.

The Russian Government are of opinion that two Governments should endeavour to find some means of associating themselves with the recognition, even though they have not been asked to do so.

Concert with Russian Minister as to how this may best be done.

[26236]

No. 128.

Sir Edward Grey to Count Benckendorff.

THE Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and, with reference to his Excellency's verbal statement of the 28th ultimo respecting the formal recognition of the Valiahd, has the honour to state that he addressed an enquiry by telegraph to His Majesty's charge d'affaires at Tehran on this subject, and has received from Mr. Marling a reply to the effect that the communication from the Persian Government alluded to was in the nature of a circular letter addressed by the Regent to all Chiefs of States, and simply announced that Prince Mohammed Hassan is heir apparent. The Persian Government require no answer to this communication, and none, in Mr. Marling's opinion, is necessary, as the constitution provides for the succession to the throne.

Mr. Marling adds that the letter addressed to His late Majesty King Edward ought to have reached London about the middle of May, but, as it had not reached this Office, Sir E. Grey has instructed him to obtain and forward to him a copy of it.

Foreign Office, July 22, 1910.

[26599]

No. 129.

Sir Edward Grey to Mr. Marling.

(No. 225.)

(Telegraphic.) P.

Foreign Office, July 23, 1910.

EXPECTED demands of refugees and general situation in Persia.

Your telegram No. 297 of the 22nd July, and St. Petersburg telegram No. 207 of the 20th July.

I concur in the proposal that the demand for the arrest of murderers might be unconditionally supported, but hope that it may be possible altogether to avoid intervention of legations.

As regards other demands, though I fully realise that, being on the spot, you have best means of forming judgment, I should like to know whether you see any force in the following considerations:—

As for the question of the establishment of Senate, you will remember that the plan has once before been suggested, but was abandoned. Would not interference in this question look too much like intervention, and would not Senate, if established, become simply one more element of discord? Would the new Medjliss be any real improvement on the present one?

As for expulsion of foreign fedai, would Yprem and such of his military followers

as are foreigners be included? And if so, would not the Persian Government be thereby deprived of services of the only men who have been proved capable of coping with disorder? Further, would the Government be able to effect the expulsion without bloodshed at Tehran?

As regards the general situation, would not any endeavours to restore Sipahdar simply alienate the other factions, whose confidence he can never hope to gain, since they regard him as a creature of Russia? Were Sipahdar at all likely to be in a position firmly to establish his power, such a result would not so much matter, but would it not be better, if his success is likely to be temporary only, to avoid as far as possible all appearance of intervention, and to allow any Cabinet to be formed which the Persians want, trying afterwards to win its confidence irrespective of its political character?

[26707]

No. 130.

Mr. Marling to Sir Edward Grey.—(Received July 24.)

(No. 298.)

(Telegraphic.) P.

Gulabek, July 24, 1910.

VALIAHD. In reply to your telegram No. 224 of the 22nd July, I have the honour to report that M. Poklewsky does not consider special recognition of the Heir Apparent to be necessary. He points out that the constitution provides for the succession, and that the circumstances which rendered an official recognition necessary therefore no longer exist. I am also of opinion that such a step might arouse resentment as interference in internal affairs in some quarters. We need not, perhaps, pay much attention to this, and I would suggest that, if the two Governments deem it desirable to mark their special relations towards Persia, the Royal letter of acknowledgment might be so drafted as to fulfil this purpose.

[26708]

No. 131.

Mr. Marling to Sir Edward Grey.—(Received July 24.)

(No. 299.)

(Telegraphic.) R.

Tehran, July 24, 1910.

MY telegram No. 292 of 18th July.

Bazaars are reopening, and assembly at mosque is dispersing on promise that murderers will be arrested and under pressure of alleged threat from Russian Legation that, if business was not resumed in three days, Tehran would be occupied by Kazvin troops. Of course no such threat was made, but episode serves to prove unscrupulous tactics of extreme nationalists.

(Sent to St. Petersburg.)

[26709]

No. 132.

Mr. Marling to Sir Edward Grey.—(Received July 24.)

(No. 300.)

(Telegraphic.) P.

Gulabek, July 24, 1910.

ADVANCE to Persian Government.

In reply to your telegram No. 223 of the 22nd July, I have the honour to report that the Persian Government is certainly unlikely to apply to the two Powers for an advance at present; it is well to remember, however, that Persian Government does not possess any revenue which could be pledged to service of a loan of any magnitude (please refer to my despatch No. 127 of the 12th July sent by last messenger, and which should reach you on the last day of this month), its credit has been destroyed by the state of the country and by the entire absence of proper financial administration, and, pending the initiation of practical reform, it must remain nil. It may suit the Strathcona group to make a small advance to the Persian Government with a view to obtaining the mining concession they desire near Kerman and to securing the oil shares remaining in the hands of the Persian Government, but I think that it will be difficult to find adequate security even for the service of the small amount contemplated.

I am, of course, without the means of making an exhaustive examination of the finances of the country, but both M. Poklewsky and the manager of the Imperial Bank of Persia hold the opinion that an operation of any magnitude is, from a strictly

financial standpoint, at present entirely out of the question. In view of these facts, I see no reason why proposed intimation should not be given to would-be lenders: the advent of a financial expert to report on the possibility of a loan might, on the contrary, awake the Persian Government from its illusions.

Fear of a "political" loan from the third Power need not, I presume, be apprehended.

M. Poklewsky informs me that the consolidation of the Persian Government's debts to Russian Bank could be settled with as little trouble as these to Imperial Bank of Persia, and Persians themselves are responsible for the delay, although they would clearly gain by expediting an arrangement whereby a reduction of interest from about 12 per cent. to 7 per cent. is effected. Conclusion of the Russian Bank's arrangement would probably be hastened if we refuse to offer Persia facilities to obtain an advance or to give it ourselves.

With regard to proposal to offer an advance spontaneously, I submit that while this step would strengthen our position *vis-à-vis* a third Power, the belief entertained and spread by the extreme Nationalists that the two Powers are scheming to put financial fetters on Persia would be confirmed by such action on our part. It is well known to Persian Government that England and Russia are willing to make an advance without political conditions; it is only the chimerical hopes held out by such offers as Seligman's and by the propaganda of the Nationalist faction that have sacrificed the interests of the country to their unjustified mistrust of the motives of the two Governments which have prevented an application to us.

I believe that the Treasury are at present in such straits that if Persian Government were given money very little of it would be devoted to restoring order in the country. The extravagance of the new régime, Nasr-ul-Mulk told me confidentially the other day, has been so great that an advance of 400,000*l.* would not now be sufficient.

[26773]

No. 133.

Sir G. Lowther to Sir Edward Grey.—(Received July 25.)

(No. 490.)

Sir,

Therapia, July 18, 1910.

IN spite of the efforts of certain sections of the Turkish press to calm public opinion as regards the recent Russo-Japanese arrangement, a distinct note of alarm has been sounded, and the enclosed leading article, which has appeared in the "*Jeune Turc*,"^{*} represents, I think, fairly accurately the views taken here with regard to the convention. What, the writer asks, have been the net results of all Russian protestations of friendship since the establishment of the constitution? The annexation of Bosnia and Herzegovina was effected after a previous understanding with Russia. That country was the first to recognise the Kingdom of Bulgaria and the annexation of Eastern Roumelia.

In the proposed increase of customs dues Russia has raised difficulties and has not yet given her consent, and she has even taken advantage of the Cretan question to raise that of the passage of the Straits.

The Pan Slavist Congress sitting at Sophia at the very moment when the Russo-Japanese convention became public constitutes another threat to the Ottoman and the German worlds. And if the Germans are asking themselves where are to be utilised the soldiers now withdrawn from the Far East, have not the Ottomans much more reason to ask themselves the same question? An easy triumph is necessary to satisfy public opinion in Russia, and it would appear that it is in Persia where that triumph can most easily be found, and that the province of Azerbaijan will be occupied. That province to Turkey is of greater value than Crete or even Macedonia. The article concludes by declaring that the Government must not lose sight of the fact that the interests of this country lie in an understanding with Germany.

The "*Jeune Turc*" is, as you, Sir, are aware, always somewhat advanced and violent in language, but latterly it has been drawing nearer the Government organs, and the latter now frequently quote from the former.

I have, &c.

GERARD LOWTHER.

[1738]

^{*} Not printed.

2 F

[26990]

No. 134.

Mr. Marling to Sir Edward Grey.—(Received July 25.)

(No. 301.)

(Telegraphic.) P.

Gulahek, July 25, 1910.

SITUATION in Tehran.

With reference to your telegram No. 225 of the 24th July, I have the honour to report that Yphrem is looked upon as a Persian subject by Persian Government. Russian Minister informs me that his Government will not dispute this, but have authorised him to return Yphrem's call, and thus establish friendly relations. With regard to expulsion of fedais, I submit that there would be no difficulty in excepting such as may be useful, as Persian Government would themselves draw up the list of those to be sent out of the country.

Some resistance might be encountered, but I do not think the expulsion would affect peaceable population.

With reference to the question of a Senate, I myself am sceptical of the advantages to be gained thereby, and we cannot count on a new Medjliss being an improvement on the actual one, but it would probably be more representative of public opinion than the present Assembly.

I understand that M. Poklewski, in advocating action by the joint legations in case an appeal was made to them, did not intend to urge that we should demand compliance on every point, but merely that a genuine expression of popular discontent with a state of affairs in which a small faction is enabled to thwart government by any Cabinet—a faction, moreover, whose avowed policy has up till now been to render friendly relations between Persia and the two Powers impossible—should have our moral support.

For the present there appears little likelihood of such an appeal, and it is even possible that Nationalists may succeed in forming a Ministry of some kind. In that case an opportunity will, at all events, be offered to the two legations to try to convince that faction of the friendly sentiments of Great Britain and Russia, but I am doubtful of success, and, in view of the difficulty that the party have encountered in persuading serious men to take office, the Ministry if formed is not likely to remain in power for any length of time.

There is at least a reasonable prospect if they fail that the Sipahdar, with his hands free and with a less obstructive Medjliss, could come forward with a Cabinet capable of maintaining order in the country and desirous of establishing friendly relations with Great Britain and Russia.

I am informed by the Russian Minister that the announcement that the Kasvin troops would proceed to Tehran unless the bazaars resumed their usual work was printed at Government printing office. In reply to M. Poklewski's demand Persian Under-Secretary of State for Foreign Affairs has promised to have an official *démenti* published in the newspapers.

At present bazaars are open again, but the promoters of the demonstration remain at the mosque, and declare that, unless the murderers are apprehended by Wednesday (27th), the bazaars will close once more.

[26101]

No. 135.

Foreign Office to Anglo-Persian Oil Company.

(Confidential.)

Sir,

Foreign Office, July 25, 1910.

WITH reference to the conversation which you had with Mr. Mallet on the 2nd instant relative to an advance by a British group organised by your company to the Persian Government, on the security of the shares held by them in that company, I am directed by the Secretary of State for Foreign Affairs to inform you, with regard to the negotiations for the consolidation of the debts due by the Persian Government to the Russian Bank, the successful conclusion of which the Russian Government made one of the conditions of their acquiescence in the above transaction, that no discussions on this subject between the Russian and Persian Governments have yet taken place, but that the Persian Government have promised to begin negotiations shortly.

Sir E. Grey instructed His Majesty's chargé d'affaires at St. Petersburg to endeavour to induce the Russian Government to abandon this condition, but has now received a telegram from His Majesty's Ambassador reporting that they adhere to it.

C.I.

As His Majesty's Government have agreed with the Russian Government that the conversion of the debts due to the Russian and British Banks shall precede any loan made to the Persian Government other than those which might be made by the Russian and British Governments, Sir E. Grey is precluded from further pressing the point.

Sir A. Nicolson further reports that the Russian Government believe that the offer made by your group has not been received eagerly by the Persian Government, who are impressed by the offers of other financiers to supply large sums at 5 per cent. interest.

Meanwhile, the Russian Government, while maintaining the above-mentioned condition, have no desire to oppose discussions between your syndicate and the Persian Government as to an advance; but they would be glad to be kept informed as to the progress of the negotiations.

I am accordingly to request that, should your syndicate decide to pursue discussions with the Persian Government on this matter, you will be so good as to keep the Secretary of State informed as to their course.

I am, &c.

W. LANGLEY.

[27024]

No. 136.

Sir A. Nicolson to Sir Edward Grey.—(Received July 26.)

(No. 319.)

Sir,

St. Petersburg, July 22, 1910.

IN a leading article on Persia, which appears to-day, the "Novoe Vremya" says that the old chaos and confusion still continues in every part of the country except in those districts where order is maintained by the presence of Russian troops. The lawless elements, not content with plundering villages and country districts, are now attacking the towns. The Government is as powerless as ever to put an end to this state of things. In fact government, strictly speaking, does not exist. The Sipahdar is apparently the sole person who might possibly restore order in Persia at the present moment, and the Nationalists find him too conservative. The shadow of a Government which still exists has been compelled to submit to the wishes of the Medjliss. The great majority of the ruling classes belong to one party—the Extreme "Nationalists"—and it is thus open to them to form a Government. The Nationalists possess their recognised leaders, Taki Zadeh, Nawab, Vekhid-ul-Mulk. It is only necessary to give them authority to save Persia, but the parliamentary leaders assiduously avoid this simple solution of the question. Instead of taking the matter into their own hands they throw the responsibility on to others. They have twice applied to Mustaufi-ul-Mamalek, ex-Minister of the court, but he can find no one willing to accept office. The situation is an unusual one. In Parliament there is an undoubted majority capable of overthrowing a ministry, but here its power comes to an end. It is incapable of forming a Government, and meanwhile the country is going from bad to worse. The murder of Seyyid Abdulla has still further widened the gulf between the politicians and the people. The murdered man was a warm advocate of reform, and enjoyed universal respect, but he was not one of Taki Zadeh's adherents. The Government know his murderer, but are either unwilling or unable to arrest him. Frightened at the storm they have raised they now say that the murder was instigated by the Russian Legation in its desire to find a pretext for maintaining the presence of Russian troops in Persia. The "Novoe Vremya" says that the best step to take would be to withdraw the Russian troops. Their presence is a restraining influence, the removal of which would let loose a flood which would sweep all before it. It would then be possible to start building on the ruins with foreign help. Unfortunately, however, such drastic measures cannot be adopted in actuality. Russia is bound to protect those of her subjects whose destiny has led them to Persia. For their sake she must renounce a course which might possibly lead to results which in the end would benefit the Persians themselves. The article concludes by expressing the opinion that the Persian people will not stand the existing state of affairs much longer, and by stating that in any case Russia can await the end without any special anxiety.

The Liberal "Bourse Gazette" publishes an article on much the same lines. It says that it is now becoming an axiom of Russian diplomacy that disorder in Persia is to be permanent, and the problem for the Russian Foreign Office is to prevent such disorder becoming so acute as to call for international interference. The danger for Russia of the existing anarchy in Persia lies in the fact that the two countries are

neighbours and that a certain portion of the Persian "intelligence" persist in maliciously dragging the name of Russia into every kind of intrigue. It would be easy to give them a lesson by leaving them to their fate and withdrawing the Russian troops. Unfortunately such a course would entail danger to Europeans, among whom Russians would be the first to suffer, and so Russia is prevented from withdrawing her troops.

I have, &c

A. NICOLSON.

[27103]

No. 137.

Extract from Confidential Letter, dated Tehran, July 6, 1910, from Mr. A. O. Wood, Tehran, to Mr. G. Newell, London.—(Communicated by Sir T. Gordon, July 26, 1910.)

I AM assured that the Persian Government will give the bank or anyone else a concession for a railway any day it is asked for, provided it is a purely commercial undertaking, and has nothing whatever to do with any foreign Power (Government). The Vakil-ul-Roya* asked me to put this before the board for consideration, and mentioned the possibility of a railway from the Karun up to Hamadan, and thus here, tapping a very fertile country, where grain is allowed to rot in the ear because it does not pay to transport it. Such a line, after passing through "no man's land," would enter that part of the country pegged out by Russia as her sphere for new concessions. At present the Persians seem to be looking round to see what is possible, so perhaps proposals of this nature cannot be taken too seriously. They know quite well that they cannot run the machinery themselves, but at the same time are at their wits' ends to decide who should do it for them.

[27150]

No. 138.

Mr. Marling to Sir Edward Grey.—(Received July 26.)

(No. 302.)

(Telegraphic.) R.

Tehran, July 26, 1910.

MINISTRY was formed yesterday.

Mustauf-ul-Mamalek, President, without portfolio; Hussein Kuli Khan, Foreign Affairs; Farman Farma, Minister of Interior; and Hakim-ul-Mulk, Minister of Finance.

Premier may be regarded as moderate; he has had very little experience, and is not credited with any capacity.

Minister for Foreign Affairs and Minister of Finance represent strong nationalist party.

Inclusion of Farman Farma, a governor of the worst type under the old régime, shows that the nationalists were aware that a Cabinet formed from their own party exclusively would be without weight in the country.

(Sent to St. Petersburg.)

[27151]

No. 139.

Mr. Marling to Sir Edward Grey.—(Received July 26.)

(No. 303.)

(Telegraphic.) P.

Gulahck, July 26, 1910.

ASSURANCES to Sheikh of Mohammerah.

I have received following telegram to-day, No. 215, from His Majesty's Consul-General at Bushire:—

"Lieutenant Wilson telegraphs as follows:—

"The delay in receiving assurances, &c., promised to him is greatly perturbing Sheikh Kha'zal. He calls attention to the fact that His Majesty's Government have been in possession of his representations now for eighteen months, and that for a year they have been before Government in their final shape. At the beginning of the year, at a moment when it appeared possible that his action in defending his own interests

* Deputy for Hamadan, a man of ability and influence, used by the Minister of Finance

might prejudice His Majesty's Government in the north of Persia, he was led to hope that his representations were being sympathetically considered, but he has not yet received the further assurances which he solicited.

"He declares that the condition of Persia is in the meanwhile growing worse and that serious troubles are approaching, but whilst British interests in Arabistan and his responsibilities in regard to them are becoming steadily more onerous, he himself is in no better position than he was formerly.

"I venture to hope that no further delay may elapse in answering sheikh's requests, otherwise our position in Arabistan will suffer in consequence."

"News has reached me that sheikh has gone for ten days to Karun, and I submit that it would be convenient if orders could be received before his return to Mohammerah.

"(Sent to India; repeated to Tehran.)"

In reply I have informed Colonel Cox of last four paragraphs of your despatch No. 108 of the 6th July, and I have added that I have asked you to send him a copy of your despatch direct.

[26990]

No. 140.

Sir Edward Grey to Sir A. Nicolson.

(No. 409.)

(Telegraphic.) P.

Foreign Office, July 26, 1910.

EXPECTED demands of refugees.

Refer to your telegram No. 207 of the 20th instant, and subsequent telegrams to and from Tehran.

Inform Russian Minister for Foreign Affairs that, in our opinion, if the Persian Government ask advice as to expulsion of foreign fedai, the two representatives at Tehran should give the proposal their moral support, and that they should certainly encourage measures for arrest and punishment of mujtched's murderers. In view, however, of the objections contained in your telegram referred to, the questions of dissolution of Medjliss, of holding new elections, and of establishment of Senate had better not be mentioned.

[26338]

No. 141.

Sir Edward Grey to Sir A. Nicolson.

(No. 205.)

Sir,

Foreign Office, July 26, 1910.

THE Russian Ambassador informed me on the 19th instant that his colleague at Constantinople was anxious to add to the joint communication which it is proposed to make to the Turkish Government on the subject of the persecution of Christians in the Urumia district of Persia a sentence alluding to the presence of Turkish troops in Persian territory. Count Benckendorff at the same time promised to let me know more exactly what M. Tcharykoff had suggested.

I had already told his Excellency that the difficulty of adopting this course lies in the fact that the question of the presence of Russian troops in Persia would at once be brought up, but I said that I would consider his communication when I had received it in the form which he had promised.

The next day I received a letter from Count Benckendorff, copy of which is enclosed,* giving the text of M. Tcharykoff's proposal, and when, in his Excellency's absence, the First Secretary of the Russian Embassy called here on the 22nd instant, Sir C. Hardinge informed him of my views on the subject.

He told M. Sevastopoule that, while it was no doubt quite true, as stated by M. Tcharykoff, that the presence of Turkish troops in the district in question had a disturbing effect on the Kurds, the Turkish Government, if the proposed clause were inserted in the joint communication, would point out in reply that the presence of Russian troops at Tabreez and Kazvin was equally disturbing, and had lately been the cause of several regrettable incidents, and they would ask why, in these circumstances, they remained there.

They would further allege that the Turkish forces stayed in the Urumia district

* No. 112.

precisely because the Persian authorities were powerless to maintain order there, and that no Persian troops were available for the purpose.

Sir C. Hardinge at the same time emphasised the readiness of His Majesty's Government to send to His Majesty's Ambassador at Constantinople instructions in the sense desired by M. Tcharykoff if M. Isvolsky still wished this to be done, in spite of the considerations set forth above.

I am, &c.
E. GREY.

[26551]

No. 142.

Foreign Office to Consul-General Cox.

(No. 2.)

Sir,

Foreign Office, July 26, 1910.

WITH reference to previous correspondence on the subject of the assurances to be given to the Sheikh of Mohammerah, I am directed by Secretary Sir Edward Grey to transmit to you herewith, for your information and guidance, copy of a despatch which he has addressed to His Majesty's chargé d'affaires at Tehran containing the text of the assurances which His Majesty's Government are willing to convey to the sheikh.*

These papers are now sent to you direct at the suggestion of Mr. Marling, who has pointed out by telegraph insecurity of the post between Tehran and Bushire, and you should inform him in due course of their receipt, and await his instructions as to when you should convey the assurances to the sheikh.

Mr. Marling has, I need hardly say, himself already received the despatch.

I am, &c.
W. LANGLEY.

[25923]

No. 143.

Foreign Office to India Office.

Sir,

Foreign Office, July 26, 1910.

WITH reference to your letter of the 13th May last and previous correspondence relative to the measures to be taken for the restoration of order and security on the roads of Southern Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's chargé d'affaires,† from which it appears that the situation in this respect is daily growing worse.

In view of the serious losses incurred by British and British Indian trade in consequence of this condition of affairs, and of the inability of the Persian Government to take any effective steps to restore order, Mr. Marling proposes that he should be authorised to inform them that if by the end of September such a degree of security has not been established as to permit ordinary caravan traffic to be resumed, His Majesty's Government will take the duty in hand themselves.

Since this despatch was written, Mr. Marling, by his telegram No. 293 of the 18th instant, copy of which has already been forwarded to you for your information, has suggested that he should be furnished with instructions to make this communication to the Persian Government immediately.

I am to state that Sir E. Grey is far from underrating the importance of ensuring the prompt restoration of order and security on the trade routes of Southern Persia, and the force of the considerations urged by Mr. Marling in favour of the course which he proposes to take, but that he cannot, at the same time, lose sight of the objections to which a step of this kind would be open.

It is clear that were His Majesty's Government to embark on a policy of active intervention in Southern Persia, and to land troops in the country, not only might their withdrawal be exceedingly difficult, but their presence might lead to serious political complications. It would be certain in any case greatly to retard the evacuation of Northern Persia by the Russian troops now occupying Tabreez and Kazvin, even if it did not result in a virtual or actual partition of the country.

I am to state that His Majesty's Minister at Tehran, who, as Viscount Morley is

* No. 44.

† No. 169

aware, is at present on leave of absence in this country, has been consulted with regard to the measures proposed by Mr. Marling.

Sir G. Barclay has expressed his complete concurrence in the latter's view, that a strong representation to the Persian Government is necessary in the circumstances, but has suggested that, in view of the grave objections to which intervention on the proposed scale is open, the Persian Government should be informed that, if they fail to restore order on the southern trade routes by the end of September, His Majesty's Government will feel obliged to insist on the formation of a force of 1,000 or 1,200 men, analogous to the Cossack brigade, for the protection of the roads. This force would be levied and officered by eight or ten officers of the Indian army, lent for the purpose by the Government of India.

Sir G. Barclay calculates that this scheme could be effectively worked at a cost of about 40,000*l.* a-year, and suggests that, if the Persian Government have not by then obtained an advance of money from His Majesty's and the Russian Governments, or from some other source approved by them, part of this sum could be provided out of the surtax of 10 per cent. on goods imported through the ports of the Persian Gulf, which has not yet been applied, but to which the assent of the Board of Trade has already been obtained, while the Persian Government would be informed that they would be expected to furnish the remainder from the revenues of the province of Fars, which, he considers, are sufficient to support the burden which would thus be imposed on them.

It appears to Sir E. Grey that the scheme here outlined is free from the objections which might be urged against the more drastic proposal of Mr. Marling, and is indeed no more than a slight development of the project for the organisation of a body of road-guards originally drawn up by Mr. Bill while acting consul at Shiraz, and subsequently amplified by Sir G. Barclay himself, the only essential difference being that the force would be controlled by British military officers instead of by British telegraph officials.

Mr. Bill's scheme, as modified by Sir G. Barclay, while providing adequate protection for trade in the conditions prevailing at the time when it was drawn up, is no longer fitted to cope with the more serious situation which has since arisen, and I am accordingly to state that Sir E. Grey would be glad to receive Lord Morley's observations on the more complete project now suggested.

I am, &c.
W. LANGLEY.

[27228]

No. 144.

Messrs. Ellinger and Co. to Foreign Office.—(Received July 27.)

Sir,

28, Oxford Street, Manchester, July 26, 1910.

WE are in receipt of yours of the 20th instant, and are pleased to see that Sir Edward Grey sees no objection to our proposal to communicate the correspondence referred to by us in our letter of the 12th instant to Messrs. Andrew Weir and Co. and the Mountudjar, and that he understands from the last paragraph of our letter that we have already acted on the suggestion so far as the former are concerned.

This was so, as there was no doubt in Mr. M. Ellinger's mind that Mr. Norman was quite clear on this point, but he wished to be quite certain that it was clearly understood that he proposed also to send the correspondence to the Mountudjar.

We note also the circumstances under which the copy of the firman of 1904 was handed to Abbas Kuli Khan. We beg to express to His Majesty's Government our thanks for the assurance of diplomatic support which will be given to our endeavours to recover the sum we have lost through the breach of the contract signed by us as the Mountudjar's agents with Messrs. Andrew Weir and Co.

The contract between Mountudjar, Messrs. Andrew Weir and Co., and ourselves was handed to Mr. Mallet at the interview between that gentleman, Mr. Maxwell, Mr. William Weir, and Mr. M. Ellinger, but to the best of our belief Mr. Mallet did not read it.

We therefore now hand you the contract herewith for your perusal, and we shall be glad if you will kindly let us have an acknowledgment of its safe receipt.

With reference to the concluding paragraph of your letter, we take the liberty of pointing out that we have already put forward and sent to you with our letter of the 24th June the claim of both Messrs. Andrew Weir and Co. and ourselves, and we shall be quite prepared to furnish such evidence as you may require to prove the justification of the items, and that the amounts claimed are not excessive. As however

Messrs. Andrew Weir and Co. are not prepared, and cannot be expected, to hold the oxide which is at present in stock for any lengthy period, we shall be glad if you will expedite matters as much as possible.

We are, &c.

ELLINGER AND CO.

Enclosure in No. 144.

Agreements between the Mouintudjar, Messrs. Ellinger and Co., and Messrs. A. Weir and Co.

(1.)

AN AGREEMENT made the fourth day of December, one thousand nine hundred and eight, between Haji Agha Mohamed Mouintudjar, of Bushire and Teheran, Persia (hereinafter called the seller), of the first part, and Messieurs Ellinger and Company, of Manchester (hereinafter called the agents for the seller), of the second part, and Messieurs Andrew Weir and Company, of 6, Lloyd's Avenue, London, E.C. (hereinafter called the buyers), of the third part, whereby it is agreed as follows:—

1. The seller agrees to sell and the buyers to buy at the price of forty-two shillings and sixpence per ton free on board about eighteen thousand tons of red oxide mined or to be mined at Ormuz and to be of the usual quality of red oxide hitherto shipped at Ormuz for London, which the buyers undertake to sell unmixed with any other oxide or material. The buyers shall not be entitled to reject any stuff tendered to them as red oxide at Ormuz, but their acceptance shall not prejudice any claim on their part either for not being usual quality or for short shipment, and they shall forthwith receive such allowance as may be agreed or determined by arbitration.

2. The oxide to be shipped by the seller with usual good despatch and to be received by the buyers free on board "Ormuz" at the anchorage where oxide has commonly been shipped in the past by vessels at a date and in quantities nominated twenty-one days if possible, or in any case not less than fourteen days previous to the arrival of such vessels at Ormuz by notice addressed to the agents for the seller by the buyers. Should such vessel not arrive at Ormuz within three days of the date nominated, the buyers shall pay to the agents for the seller six pounds sterling each day after the date nominated to cover the cost of maintenance of coolies at Ormuz until the vessel arrives at Ormuz, or until the buyers advise the seller that they are prevented from sending their steamer to load at Ormuz.

3. The seller undertakes that from the date hereof until the first day of April, one thousand nine hundred and twelve, no oxide shall be sold or shipped by the seller directly or indirectly or by anyone acting under his direction or control for Europe or America, other than (a) the oxide hereby bought and sold; (b) oxide for consumption in India, which last-mentioned oxide the seller warrants shall not so far as it is in his power to prevent the same be exported thence, directly or indirectly, to Europe or America. The seller can at any any time ship oxide to Russia by Russian steamers that touch the ports of the Persian Gulf, and it is agreed that for any quantity the seller may ship before expiration of this contract to Russia, he must pay to the buyers five shillings per ton, and it shall be at the option of the buyers to deduct any amount shipped to Russia from the eighteen thousand tons, and in the event should the buyers not desire to deduct such amounts shipped, the seller must provide the total quantity of eighteen thousand tons.

4. The weight of all oxide delivered under this contract shall be ascertained at the final port of discharge, if there is an official weigher then by such official weigher, but in the event of there being no such official weigher, then by a certificate as to weight of a single weigher to be mutually agreed upon by the agents for the seller and the buyers, or in the event of their being unable to agree upon a single weigher then by a certificate as to weight of two weighers to be agreed upon between the agents for the seller and the buyers, or by an umpire to be appointed by such weighers in case of difference. The seller and the buyers shall bear in equal shares the actual cost of ascertaining the weight in accordance with this clause. In the event of differences arising through the steamer being detained at Ormuz, all questions arising therefrom shall be submitted for arbitration to two arbitrators at Bunder Abbas, one to be appointed by each party, and if these arbitrators cannot agree they may appoint a third, who shall

act as umpire and whose decision shall be final. Any arbitration under this clause shall be held in the presence of the British vice-consul at Bunder Abbas and the local agent of the Persian Government.

5. In respect of each of the three lots of two thousand five hundred tons of oxide mentioned in clause 7 hereof, the buyers shall on the 1st day of April in each of the three years, one thousand nine hundred and nine, one thousand nine hundred and ten, and one thousand nine hundred and eleven, hand to the agents for the seller the following acceptances, *videlicet*:—

On the first day of April one thousand nine hundred and nine acceptances for eight hundred and eighty-five pounds eight shillings and fourpence due May first one thousand nine hundred and nine;

For eight hundred and eighty-five pounds eight shillings and fourpence due first June one thousand nine hundred and nine;

For eight hundred and eighty-five pounds eight shillings and fourpence due first July one thousand nine hundred and nine;

For eight hundred and eighty-five pounds eight shillings and fourpence due first August one thousand nine hundred and nine;

For eight hundred and eighty-five pounds eight shillings and fourpence due first September one thousand nine hundred and nine;

For eight hundred and eighty-five pounds eight shillings and fourpence due first October one thousand nine hundred and nine;

On the first April one thousand nine hundred and ten acceptances for eight hundred and eighty-five pounds eight shillings and fourpence due first May one thousand nine hundred and ten;

For eight hundred and eighty-five pounds eight shillings and fourpence due first June one thousand nine hundred and ten;

For eight hundred and eighty-five pounds eight shillings and fourpence due first July one thousand nine hundred and ten;

For eight hundred and eighty-five pounds eight shillings and fourpence due first August one thousand nine hundred and ten;

For eight hundred and eighty-five pounds eight shillings and fourpence due first September one thousand nine hundred and ten;

For eight hundred and eighty-five pounds eight shillings and fourpence due first October one thousand nine hundred and ten;

On the first day of April one thousand nine hundred and eleven acceptances for eight hundred and eighty-five pounds eight shillings and fourpence due first May one thousand nine hundred and eleven;

For eight hundred and eighty-five pounds eight shillings and fourpence due first June one thousand nine hundred and eleven;

For eight hundred and eighty-five pounds eight shillings and fourpence due first July one thousand nine hundred and eleven;

For eight hundred and eighty-five pounds eight shillings and fourpence due first August one thousand nine hundred and eleven;

For eight hundred and eighty-five pounds eight shillings and fourpence due first September one thousand nine hundred and eleven;

For eight hundred and eighty-five pounds eight shillings and fourpence due first October one thousand nine hundred and eleven;

and the buyers shall also refund to the agents for the seller their charges for bill stamps and discounts at the current rate of the day: Provided always that if the buyers shall before the due date of any one or more of the said acceptances be desirous of taking delivery of a larger proportion of any of the three lots of two thousand five hundred tons of oxide than shall have been paid for by the acceptance or acceptances which have already matured, and of such desire shall give seven days' previous notice in writing to the agents for the seller they shall on the date of shipment of such larger quantity either take up their outstanding acceptance or acceptances to an amount sufficient to pay for such proportion of any of the said three lots of two thousand five hundred tons as may be in excess of the proportion which shall have been already paid for by the matured acceptances, or shall produce such evidence as the agents for the seller may reasonably require that the necessary proportion of the outstanding acceptance or acceptances will be met on the due date of such acceptance or acceptances, the intention being that, notwithstanding the giving by the buyers of the acceptances mentioned in this clause, they shall not be at liberty to ship any part of any of the said three lots of two thousand five hundred tons of oxide, unless at the time of shipment they shall have either paid

for the same in cash or given evidence to the reasonable satisfaction of the agents for the seller that the same will be paid for.

6. Subject to the provisions of clause 5 hereof with regard to the method of payment for the three lots of two thousand five hundred tons of oxide mentioned in clause 7 the following provisions for payment shall have effect, videlicet:—

Immediately after the completion of the loading of each steamer at Ormuz the captain of the steamer shall telegraph to the buyers the weight of oxide loaded, and the buyers shall thereupon forthwith pay in cash to the agents for the seller forty-two shillings and sixpence per ton of oxide said to be loaded as soon as the weight of the oxide delivered is determined, in accordance with the provisions of clause 4 hereof, the buyers shall further pay in cash to the agents for the seller any sum which may be found due to the seller, and the seller shall likewise refund to the buyers any sum which may be found to have been overpaid by the buyers immediately after the commencement of the discharging, but in no case later than fourteen days after the arrival and berthing of the steamer conveying the oxide hereby contracted to be bought and sold at London or at any other port in the British Isles at which the ore is to be discharged, or any port in the United States of America, or on the continent to which any direct shipment may be made, the buyers shall express to the agents for the seller their approval or disapproval in writing of the oxide so discharged.

7. In addition to the eighteen lots of five hundred and eighty-three and one-third tons mentioned in the following clause the seller undertakes that two thousand five hundred tons of oxide shall be ready mined and waiting shipment at the usual shipping place for the buyers on or before the first day of April in each of the three years, one thousand nine hundred and nine, one thousand nine hundred and ten, and one thousand nine hundred and eleven, and the buyers shall be bound to provide tonnage for carrying away the said respective quantities of two thousand five hundred tons by or before the first day of August in each of the three years, one thousand nine hundred and nine, one thousand nine hundred and ten, and one thousand nine hundred and eleven.

8. In addition to the three lots of two thousand five hundred tons each mentioned in the preceding clause the seller further undertakes that five hundred and eighty-three and one-third tons at least of oxide shall be ready mined and waiting shipment at usual shipping place for the buyers at any time within each of the following bi-monthly periods from first day of April, one thousand nine hundred and nine, viz:—

Between the first April one thousand nine hundred and nine and the first day of June one thousand nine hundred and nine;

Between the first June one thousand nine hundred and nine and the first August one thousand nine hundred and nine;

Between the first August one thousand nine hundred and nine and the first October one thousand nine hundred and nine;

Between the first October one thousand nine hundred and nine and the first December one thousand nine hundred and nine;

Between the first December one thousand nine hundred and nine and the first February one thousand nine hundred and ten;

Between the first February one thousand nine hundred and ten and the first April one thousand nine hundred and ten;

Between the first April one thousand nine hundred and ten and the first June one thousand nine hundred and ten;

Between the first June one thousand nine hundred and ten and the first August one thousand nine hundred and ten;

Between the first August one thousand nine hundred and ten and the first October one thousand nine hundred and ten;

Between the first October one thousand nine hundred and ten and the first December one thousand nine hundred and ten;

Between the first December one thousand nine hundred and ten and the first February one thousand nine hundred and eleven;

Between the first February one thousand nine hundred and eleven and the first April one thousand nine hundred and eleven;

Between the first April one thousand nine hundred and eleven and the first June one thousand nine hundred and eleven;

Between the first June one thousand nine hundred and eleven and the first August one thousand nine hundred and eleven;

Between the first August one thousand nine hundred and eleven and the first October one thousand nine hundred and eleven;

Between the first October one thousand nine hundred and eleven and the first December one thousand nine hundred and eleven;

Between the first December one thousand nine hundred and eleven and the first February one thousand nine hundred and twelve;

Between the first February one thousand nine hundred and twelve and the first April one thousand nine hundred and twelve;

And the buyers shall be bound to provide tonnage for carrying away at least five hundred and eighty-three and one-third tons of oxide within each of such bi-monthly periods. The buyers shall be entitled to take delivery at any time before the expiration of each or any of the said periods of two months of all or any part of the oxide over and above the bi-monthly quantities of five hundred and eighty-three and one-third tons which may be ready mined and waiting shipment under the foregoing provision of this clause. And in the event of their exercising this right the buyers shall be entitled to an abatement off the purchase-money of any oxide of which they shall so take delivery, such allowance to be calculated at the rate of ten per centum per annum for the period between the date on which delivery shall be taken at Ormuz and the expiration of the current period of two months on the contract price of the quantity so taken. In the event of the buyers failing to take delivery in any case during any such period of two months they shall take delivery during a period of four months immediately following the expiration of the original period of two months, and in respect of such extended time the buyers shall pay to the agents for the seller an additional price represented by a sum equal to ten per centum per annum on the contract price on the particular quantity of oxide, of which the buyers shall have failed to take delivery within the original period of two months, such percentage to be calculated for the period between the expiration of such original two months and the date (being within the extended period of four months) when delivery shall actually be taken.

9. Subject to the provisions of clause 10 hereof the buyers shall not be entitled to any further extension of time for taking delivery beyond the expiration of the period mentioned in clause 7 or any of the respective periods of four months mentioned in clause 8.

10. It is expressly agreed that in the event of the buyers failing to take delivery of oxide within the period mentioned in clause 7 or the extended period of four months provided for in clause 8, as the case may be, the agents for the seller shall be entitled to enforce payment for any of the oxide waiting shipment and not already paid for, and the buyers shall not raise any defence provided nevertheless that if in consequence of the enforcement of this right the buyers shall have paid cash for more oxide than the amount of which they shall have taken delivery the seller will at any time within a period of three months from the determination of the above-mentioned extended period of four months have already mined and waiting shipment for them a sufficient quantity of the usual quality of Ormuz oxide to represent the amount so paid by the buyers in advance of delivery.

11. In the event of any short delivery by the seller of any of the quantities of oxide mentioned in clauses 7 and 8 of this contract it shall be at the option of the buyers to be declared by them by notice in writing to the agents of the seller within forty-five days of the time when any such short delivery shall come to the knowledge of the buyers to reduce the number of tons short delivered on any occasion from the eighteen thousand tons mentioned in clause 1, or in the event of having already paid the amount of oxide they shall already become immediately entitled to receive such amount from the seller.

12. In the event of a substantial breach of any of the provisions hereof by the seller or the agents for the seller or the buyers respectively, the seller or the agents for the seller or the buyers, as the case may be, shall be at liberty to cancel this agreement by notice in writing to the other party without prejudice to any right to damages that may have accrued or may accrue. In the event of any dispute as to whether or not a substantial breach of this agreement shall have taken place, such dispute shall be referred to arbitration in accordance with clause 14 of this agreement.

13. All payments to be made by the buyers under this contract shall be made to the agents for the seller whose receipt shall be a sufficient discharge to the buyers.

14. In the event of any dispute arising, excepting differences in regard to delays to steamers at Ormuz, referred to at the end of clause 4, it shall be referred to two arbitrators in England in accordance with the provisions of "The Arbitration Act, 1889," provided that any umpire appointed under the provisions of that Act shall be some person engaged in commercial business. The arbitrators or umpire may accept such evidence as they or he may think fit, whether or not admissible in a court of law.

15. The agents for the seller are only parties hereto for the purposes of the acts to be done by them or otherwise expressed with regard to them in clauses 2, 4, 5, 6, 8, 10, 11, 12, 13, 17 and (so far as any dispute under any of these clauses is concerned but not otherwise) clause 14 hereof, and are not otherwise under any personal liability to the buyers.

16. In the event of Ormuz or any of the adjacent ports or places being declared at any time to be infected, or in the event of quarantine being imposed, the seller and the buyer shall respectively be relieved during such time from any obligations hereunder that they may be prevented from performing by reason thereof, and for all purposes of calculation of time and otherwise under this contract such period shall be treated as a period during which the contract shall be suspended and as if such period had been non-existent.

17. In any case in which notice in writing shall be given under this agreement, such notice shall be deemed to be sufficiently given if delivered or sent by registered post addressed to the person to whom it is sent at his usual or last-known address, or in the case of any notice to the seller if so delivered or sent to the usual or last-known address of the agents for the seller.

18. The buyers shall keep a floating policy ensuring sufficient to cover the value of the oxide to be shipped from time to time under this contract against loss in transit after shipment per ocean steamer immediately upon receipt by the buyers of their captain's telegraphic advice of the weight of oxide placed on board an ocean steamer under the provisions of this contract, the buyers shall thereupon declare the quantity so mentioned against such policy, and any oxide lost in transit after shipment per ocean steamer shall be paid for by the buyers upon the terms herein mentioned in accordance with the quantity mentioned in the captain's telegraphic advice of the quantity loaded and whether the quantity so mentioned shall or shall not be accurate.

As witness the hands of the parties.

(Signature in Arabic.)
ELLINGER AND Co.
A. WEIR AND Co.

(2.)

AN AGREEMENT made the fourth day of December, one thousand nine hundred and eight, between Haji Agha Mohamed Mountudjar, of Bushire and Teheran (hereinafter called the seller), of the first part, and Messrs. Ellinger and Co., of Manchester (hereinafter called the agents for the seller), of the second part, and Messrs. Andrew Weir and Co., of 6, Lloyd's Avenue, London, E.C. (hereinafter called the buyers), of the third part. Supplemental to an agreement bearing even date herewith and made between the parties hereto (hereinafter called the contract).

Whereas the seller has lying at the Port of Nordenham, on the mouth of the River Weser, in Germany, about one thousand one hundred tons of oxide, and at the Port of Avonmouth, in the United Kingdom, about two thousand eight hundred and forty tons of oxide, all of which has been mined at Ormuz, and is of the usual quality of oxide mined at Ormuz, and has been shipped to Nordenham and Avonmouth in the steamer "Auchendale,"

Now it is hereby mutually agreed as follows:—

The seller shall deliver the said oxide to the buyers and the buyers shall accept delivery of the said oxide as if it were delivered f.o.b. Ormuz in accordance with the terms of the contract as follows:—

On the first day of April one thousand nine hundred and nine two thousand five hundred tons;

On the first day of June one thousand nine hundred and nine five hundred and eighty-three and one-third tons;

On the first day of August one thousand nine hundred and nine five hundred and eighty-three and one-third tons;

On the first day of October one thousand nine hundred and nine the balance of the said oxide about two hundred and seventy-three and one-third tons;

and the buyers shall pay to the agents for the seller against delivery in addition to the contract price of forty-two shillings and sixpence per ton f.o.b. Ormuz for freight, seventeen shillings per ton on all oxide delivered at Nordenham, and fifteen shillings per ton on all oxide delivered at Avonmouth, for marine insurance as to eight thousand seven hundred and forty-seven pounds twelve shillings and twopence at the rate of ten shillings per centum, and as to six thousand and thirty pounds six shillings and twopence at the rate of eleven shillings and threepence per centum for transferring at Nordenham from steamer to warehouse eighty pfennigs per one thousand kilos, for weighing at Nordenham, thirteen pfennigs per one thousand kilos, for statistics, Government stamps, and sundry other expenses incurred at Nordenham, fifty-five marks eighty pfennigs for landing, putting into warehouse and re-delivery at Avonmouth two shillings and three pence per ton, and for dock dues at Avonmouth sevenpence per ton.

(2.) The agents for the seller are only parties hereto for the purpose of the acts to be done by them or otherwise herein expressed with regard to them and are not otherwise under any personal liability to the buyers.

As witness the hands of the parties.

(Signature in Arabic.)
ELLINGER AND Co.
A. WEIR AND Co.

(3.)

AN AGREEMENT made the fourth day of December, one thousand nine hundred and eight, between Haji Agha Mohamed Mountudjar, of Bushire and Teheran (hereinafter called the "Seller"), of the first part, and Messrs. Ellinger and Co., of Manchester (hereinafter called the "Agents for the Seller"), of the second part, and Messrs. Andrew Weir and Co., of 6, Lloyd's Avenue, London, E.C. (hereinafter called the "Buyers"), of the third part. Supplemental to an agreement bearing even date herewith, and made between the parties hereto.

Whereby it is agreed as follows:—

1. In the event of hindrance being raised by the Persian Government or their officials as to the shipment of oxide or should new taxes be levied on the export of oxide, or should the Persian Government in any way prevent the shipping of oxide, the seller and the agents for the seller, shall be in no way responsible and the buyers shall have no right to claim any damage or demand delivery of oxide, and the seller has every right to cancel the contract or postpone delivery for a period of not exceeding three months from the imposition of difficulties by the Persian Government. It is further agreed that in the event of the seller knowing for certain that he cannot any longer ship by reason of the causes herein mentioned, the buyers shall be immediately notified by cablegram or telegram of the fact, so that they may be prevented from sending tonnage to load at Ormuz at times when the seller is unable to make deliveries of oxide.

2. The agents for the seller are only parties hereto for the purposes of the acts to be done by them, or otherwise herein expressed with regard to them, and are not otherwise under any personal liability to the buyers.

As witness the hands of the parties.

(Signature in Arabic.)
ELLINGER AND Co.
A. WEIR AND Co.

[27277]

No. 145.

Sir A. Nicolson to Sir Edward Grey.—(Received July 27.)

(No. 209.)

(Telegraphic.) P.

St. Petersburg, July 27, 1910.

SITUATION on the Turco-Persian frontier.

I was informed to-day by M. Isvolsky that information had reached him to the effect that the Turks had now pushed forward as far as Khoi and Salmas and were interrupting caravan traffic between those places. M. Isvolsky said that he would mention the matter to the Turkish Ambassador here, but he said nothing to me as to making further representations to the Ottoman Government.

[27357]

No. 146.

Mr. Wallace to Foreign Office.—(Received July 28.)

(Confidential.)

Sir,

*6, Langford Place, St. John's Wood, London,
July 27, 1910.*

I THANK you for your letter dated the 25th instant. Its concluding paragraph leaves me in doubt as to whether the position in regard to the proposed loan is clearly understood. I thought that I had made it clear to Mr. Mallet, but it is of course possible that I may have failed to do so.

I understood, before I set to work to get together the British group to which you refer, that it would be palatable to the British Government if a loan were made by such a group to Persia, and on that assumption I have persuaded the group in question to act.

As regards negotiations with Persia, the position is that I authorised Mr. J. R. Preece, who happened to be in Tehran in another connection, of which you have knowledge, on behalf of this group, to offer to the Persian Government to take up at 80l. per cent. 5½ per cent. Persian bonds, totalling 500,000l., secured by the following pledges:—

(a.) Of all the shares, rights, and royalties of the Persian Government in and in respect of the oil concessions and companies.

(b.) Of a secondary charge on the Persian customs revenue, i.e., on the surplus, if any, beyond what is pledged under existing charges in respect of advances prior to ours by other lenders, particularly advances made to Persia by the Governments of Great Britain and Russia.

(c.) Of a secondary charge on the Persian telegraphs revenue, i.e., on the surplus, if any, beyond what is similarly pledged in priority to our proposed loan.

The Persian Government, I am informed by Mr. J. R. Preece, has made various counter-proposals, the best of which is 5 per cent. bonds at 83l. per cent., and, prior to receipt of your letter of the 25th, I had telegraphed to Mr. Preece that we would raise our price to 83l., but that 5½ per cent. was the lowest possible rate of interest.

There the matter rests for the moment. I should like to hear from you how it is now viewed by the Foreign Office, and I propose to call upon you to-morrow (Thursday) afternoon to ascertain this. If, say, 3 o'clock would not be a suitable hour for either Mr. Mallet or you to see me, may I ask the favour of your communication with the Burmah Oil Company's office and indicating some other hour which would be convenient?

I am, &c.

C. W. WALLACE.

[27355]

No. 147.

*Mr. C. Greenway to Mr. Norman.—(Received July 28.)**Winchester House, Old Broad Street,
London, July 27, 1910.*

Dear Mr. Norman,

I AM much obliged for your Private and Confidential letter of the 21st instant, covering a copy of a despatch from Mr. Marling enclosing a copy of a report from Mr. Ranking relative to the recent negotiations between our company and certain of

the Bakhtiari khans with regard to the purchase of the land required for our pipe-lines and works.

I have shown these to certain of my colleagues on the board, and am desirous to say that we appreciate very much your kindness in placing the information contained in these documents before us, and to give you our assurance that it will be treated as absolutely confidential.

As regards the negotiations in question, we had already formed the impression that they had been mismanaged, and had determined that when the matter came up again for final settlement with the khans it will be necessary to take up a firmer stand upon the strict lines of the terms granted under our concession. This is the more necessary, inasmuch as we find that as our work progresses these attempts at extortion are being made on every side, and unless resisted it will mean that the outlay will be so enormous as to quite preclude the possibility of our ever being able to establish the undertaking on a sound and remunerative basis.

When the time comes we shall therefore be much obliged for any further assistance that His Majesty's consul at Ahwaz may be able to give our agents in Persia in bringing the khans to a reasonable settlement in the matter of the compensation to which they are entitled for the land that may be required by the company for the purposes of their work.

As to Mr. Marling's suggestion that the company should appoint a permanent representative at Tehran there is no need for any action at present, since Mr. Preece, who is now in Tehran, is a representative of the company, and can, so long as he is there, act on behalf of the company if and when any further need for the services of a representative may arise. But on his return to this country the board will consult with him on the subject and address you again.

Yours sincerely,

C. GREENWAY.

[27391]

No. 148.

Mr. Marling to Sir Edward Grey.—(Received July 28.)

(No. 304.)

(Telegraphic.) P.

Gdahaek, July 28, 1910.

SITUATION in Kermanshah.

I am informed by His Majesty's acting vice-consul at Kermanshah that, as a result of violent anti-Russian propaganda, Russian Consulate is in grave danger; Persian soldiers have twice fired at Russian vice-consul in his house, and the Russian Cossack escort is unable to leave the consulate or appear in the streets. Nizam-es-Sultaneh has offered apologies to Russian vice-consul and given assurances of protection, but he does not seem to be able to enforce his authority on the population. In the meanwhile Mr. Knox is making strong representations with a view to the restoration of order.

M. Poklewski has received similar news from Russian vice-consul, but without any report of firing incidents. He is taking strong action here, and is suggesting to St. Petersburg that consular escort should be reinforced by fifty Cossacks from Kazvin detachment.

[27399]

No. 149.

Sir A. Nicolson to Sir Edward Grey.—(Received July 28.)

(No. 210.)

(Telegraphic.) P.

St. Petersburg, July 28, 1910.

MY telegram No. 209 of the 27th July.

Situation on the Turco-Persian frontier.

I cannot have understood rightly what M. Isvolsky said to me yesterday, for the Turkish Ambassador told me to-day that the Russian complaint was that an advance had been made by Turkish troops to a place named Maku, which is situated near the Russian frontier. M. Isvolsky had complained also that communication between Salmas and Khoi had been cut off by the Turkish troops. The Turkish Ambassador tells me that Turkish troops have for some time past been in temporary occupation of Salmas and Khoi.

[26709]

No. 150.

Sir Edward Grey to Sir A. Nicolson(No. 410.)
(Telegraphic.) P.*Foreign Office, July 28, 1910.*

INTERNAL situation in Persia.

It is inevitable that complete anarchy must soon result from the disorder which, according to the most recent reports from Tehran, is prevalent throughout the country, especially in the south, and is spreading rapidly.

Instances are numerous: the capture by robbers of a large British-Indian caravan on the Yazd-Tabbas-Meshed road; the constant destruction by Afghan gun-runners of the Indo-European Telegraph Department's line in Seistan and the flight of the British staff to Robat; two mail robberies near Kum; an assault and robbery committed by armed men upon the Indo-European Telegraph Company's servants about 7 miles east of Tehran itself; outrages by the notorious Naib Hussein, rendering the Tehran-Ispahan road unsafe during June; the utter incompetence and venality of the new Governor-General of Ispahan, and the state of the road between there and Bushire, which has shown no sign of improvement since his arrival, and which, as you know, has been the cause of serious losses to our trade and has long been scarcely passable.

Besides these, there have been several cases of robbery in the immediate neighbourhood of Ispahan, and at Kermanshah, when the town was threatened by Kallurs, the Governor was forced to appeal to the Russian and British consulates to use their good offices to dissuade the tribe from attacking it, as he was left without any means of resistance.

Although the Persian Government seem to be aware of the gravity of the situation, they lack men and money to enable them to deal with it, and do not see how the restoration of order can ever be effected without intervention on an extensive scale unless they can obtain both immediately.

Even if they can offer good enough security to enable them to raise a loan from private sources, they could not get money in this way for some time (see my telegram No. 223 to Tehran of the 22nd July, paragraph 3); and I am still persuaded, for reasons given in the subsequent paragraphs of the same telegram, that a spontaneous offer of an advance of 400,000*l.* on terms proposed therein should be made by ourselves and Russia. I am quite conscious that there are objections to this proposal (see Tehran telegram No. 300 of the 24th July), but I think that the improvement which would inevitably result in the position of the two Powers would amply compensate for any disadvantages.

I consider that a joint representation by the two Powers, calling attention to the state of the roads and offering a joint advance of 400,000*l.*, unconditional except as to its proper outlay (which would remove all excuse for neglecting to police the roads on the plea of lack of funds), would be most desirable, and would go far to strengthen our position should any third Power propose a foreign loan.

Please put the situation before M. Isvolsky, and urge on him the desirability of making representations on these lines.

[26707]

No. 151.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and, with reference to his note of the 22nd instant, relative to the recognition by the two Powers of the Valiahd as heir to the Persian Throne, has the honour to inform his Excellency that, on the same day, he addressed a telegram to His Majesty's chargé d'affaires at Tehran, intimating the desire of the Russian Minister for Foreign Affairs that the two Governments should find some way of associating themselves with this formality, and instructing him to consult the Russian Minister on this point.

Mr. Marling has now replied that, in M. Poklewski's opinion, special recognition of the Valiahd is unnecessary, since provision for the succession to the Throne of Persia being provided by the constitution, the circumstances which dictated such a course no longer exist.

Mr. Marling adds that the step might also be resented in some quarters as an interference in the internal affairs of the country.

He suggests, however, that if this consideration appears unimportant, and if the two Governments still think it necessary to mark in some way their special relations with Persia, a clause might be inserted with this object in the letters sent in acknowledgment of the Persian Regent's circular communication.

Sir E. Grey has the honour to recommend this suggestion to the favourable consideration of the Russian Government.

Foreign Office, July 28, 1910.

[26990]

No. 152.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs has carefully perused the telegram from the Russian Minister at Tehran, communicated by the Russian Ambassador on the 21st instant, relative to the expected invasion by refugees of the legations of the two Powers in Persia and of the demands which these refugees are expected to make, and which, in M. Poklewski's opinion, the legations might see their way to support.

Sir E. Grey entirely concurs in M. Poklewski's view that the two representatives should encourage all measures which may be taken with a view to the arrest and punishment of the murderers of Seyyid Abdullah Muftahed, and that they might, should their advice be asked, lend their moral support to steps taken by the Persian Government for the expulsion of the foreign fedai, but he considers that they should offer no opinion as to the establishment of a Senate, the dissolution of the Medjliss, or the holding of new elections, since by doing so they might lay themselves open to the accusation of attempting to intervene in the internal affairs of Persia.

Sir E. Grey has instructed His Majesty's Ambassador at St. Petersburg to make a communication in this sense to the Russian Minister for Foreign Affairs, who consulted him on this subject on the 21st instant.

Foreign Office, July 28, 1910.

[25229]

No. 153.

*Foreign Office to Messrs. Seligman Brothers.**

Gentlemen,

Foreign Office, July 28, 1910.

WITH reference to your letter of the 7th June, relative to the question of rendering financial assistance to the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that His Majesty's Government would not now oppose any scheme of the kind by a British group of some standing, provided that the advance is not secured on any source of revenue already pledged to the British or Russian Governments, to the Imperial Bank of Persia, or the Russian Banque d'Escompte et des Prêts, in respect of loans made by them to the Persian Government, and provided that the debt of that Government to the last-named bank has previously been converted.

It must further be understood that His Majesty's Government can accept no responsibility in connection with any such private loan.

I am, &c.

W. LANGLEY.

[27520]

No. 154.

Mr. Marling to Sir Edward Grey.—(Received July 29.)

(No. 305.)

(Telegraphic.) P.

Galahek, July 29, 1910.

IN continuation of my immediately preceding telegram of the 28th July.

Situation in Kermanshah.

I am informed by His Majesty's acting vice-consul at Kermanshah that part of

* Also to Messrs. Boulton Brothers and Co., *mutatis mutandis*.

[1738]

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regiment to which soldier who fired on Russian vice-consul belongs has been disarmed by Governor-General and that outlook is brighter.

M. Poklewski has received similar report.

[27530] No. 155.

Sir A. Nicolson to Sir Edward Grey.—(Received July 29.)

(No. 211.)

(Telegraphic.) P.

St. Petersburg, July 29, 1910.

SITUATION in Persia.

I saw M. Isvolsky to-day and left with him a memorandum, in which I had embodied the views and suggestions contained in your telegram No. 410 of the 28th July. His Excellency promised that he would shortly give me a reply.

M. Isvolsky said that his news from Kermanshah was more satisfactory. The governor had been successful in depriving the mutinous soldiers of their arms, and had sent them out of the town. To my enquiry as to whether the reinforcement of fifty Cossacks which it was proposed to send had yet started from Kazvin, M. Isvolsky replied that he had not yet received any information on this point.

[27645] No. 156.

Mr. Marling to Sir Edward Grey.—(Received July 30.)

(No. 306.)

(Telegraphic.) R.

Tehran, July 30, 1910.

MY telegram No. 288 of the 14th July and Confidential print of 2nd June, section 2.

Russian Minister informed me that the lands in question belong to Russian subjects who are minors and for whom Beylikdji, the vendor, is trustee.

Louzsenszky appears to be merely a commission agent who generally acts for a British firm, Fox.

[27646] No. 157.

Mr. Marling to Sir Edward Grey.—(Received July 30.)

(No. 307.)

(Telegraphic.) P.

Gulahek, July 30, 1910.

ADVANCE to Persian Government.

With reference to your telegram No. 410 of the 28th July to St. Petersburg.

Until the question of removal of Mukhber-es-Sultaneh from Tabreez, which was promised by late Ministry, has been settled. I think it unlikely that Russian Government will consent to offer an advance to Persian Government.

Has an understanding been come to with the Russian Government with regard to rate of interest that such an advance will carry?

[27355] No. 158.

Mr. Norman to Mr. C. Greenway.

(Private and Confidential.)

Dear Mr. Greenway,

Foreign Office, July 30, 1910.

MANY thanks for your letter of the 27th July with regard to the recent negotiations between your company and certain of the Bakhtiari khans for the purchase of land required for the former's pipe-line and works, and I am glad that the paper which I sent you has proved useful.

With reference to the penultimate paragraph of your letter, the services of the consul at Alwaz will of course always be at the disposal of the company in connection with any future negotiations of the same kind.

I am, &c.

H. NORMAN.

[27659] No. 159.

Mr. Marling to Sir Edward Grey.—(Received July 31.)

(No. 308.)

(Telegraphic.) P.

Gulahek, July 31, 1910.

KERMANSHAH situation.

His Majesty's acting vice-consul reports to-day that the situation is much quieter.

M. Poklewsky is advising his Government that it will probably not be necessary to increase consular escort.

Trouble appears to have arisen thus: A Persian soldier climbed over the wall into the garden of the Russian consulate by night, and a Russian Cossack on duty shot him.

[27663] No. 160.

Sir A. Nicolson to Sir Edward Grey.—(Received July 31.)

(No. 213.)

(Telegraphic.) P.

St. Petersburg, July 31, 1910.

RATE of interest on proposed advance to Persian Government.

Mr. Marling's telegram No. 307 of the 30th July and Mr. O'Beirne's telegram No. 195 of the 3rd July.

Russian Government have now sent me a memorandum, in which they state that they cannot make advance at a lower rate of interest than 7 per cent. They quote the reasons already given in their memorandum of the 12th February last, copy of which was forwarded to you in my despatch No. 85 of the 13th February last.

[27660] No. 161.

Mr. Marling to Sir Edward Grey.—(Received August 1.)

(No. 309.)

(Telegraphic.) R.

Tehran, August 1, 1910.

TURCO-PERSIAN frontier.

Sir A. Nicolson's telegram No. 210 of 28th July.

Russian Minister says that he has not received any report from consular agent at Maku that Ottoman troops have advanced to that point, and he is therefore inclined to discredit news.

[27661] No. 162.

Mr. Marling to Sir Edward Grey.—(Received August 1.)

(No. 310.)

(Telegraphic.) R.

Tehran, August 1, 1910.

MY telegram No. 308 of 31st July.

Kermanshah situation greatly improved. Russian Cossacks who had not appeared in town since 24th July are again moving about freely without incident.

St. Petersburg informed.

[27646] No. 163.

Sir Edward Grey to Mr. Marling.

(No. 230.)

(Telegraphic.) P.

Foreign Office, August 1, 1910.

JOINT loan. Your telegram No. 307 of the 30th July.

No details as to rate of interest have as yet been settled.

[27720]

No. 164.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 107.)

Sir,

Gulahak, June 19, 1910.

HIS Majesty's consul at Seistan addressed this legation last April on the desirability of the delimitation of the Afghan-Persian boundary. Major O'Connor added that, being about to proceed to take charge of His Majesty's consulate-general at Meshed, he would report further on the subject.

Upon receipt of the second despatch in question, however, I informed Major O'Connor, in a despatch copy of which I have the honour to enclose, that I considered the present moment most inopportune for raising the question.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 164.

Mr. Marling to Acting Consul-General O'Connor.

(No. 6.)

Sir,

Gulahak, June 8, 1910.

I HAVE to acknowledge receipt of your despatches No. 5 from Seistan of the 18th March and No. 15 from Meshed of the 25th May respecting the undemarcated portion of the Perso-Afghan frontier, about which his Highness the Ala-es-Sultaneh made a complaint to Sir G. Barclay in January last.

I have read the documents with interest, and I, together with Sir G. Barclay, entirely concur in your view, as expressed in the 5th section of the first-mentioned despatch, viz., that a settlement is clearly desirable. I regret, however, that the present moment would be most inopportune for raising the question of a commission to delimitate the frontier.

The situation here is precarious, the Cabinet is perpetually resigning, and the Ministerial departments have no permanent policy. I do not propose, therefore, to moot the appointment of any commission, or, in fact, to return any answer to the note of the late Minister for Foreign Affairs, until such time as the Persian Government again raise the question.

A copy of this despatch is being sent to the Government of India.

I am, &c.

CHARLES M. MARLING.

[27722]

No. 165.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 109.)

Sir,

Gulahak, June 23, 1910.

WITH reference to Sir Fairfax Cartwright's telegram No. 27, Confidential, of the 10th June, I asked the Persian Minister for Foreign Affairs yesterday whether the Persian Minister in Vienna had been instructed to invite the Austro-Hungarian Government to intervene in pending questions between this country and the two Powers, adding that I could not understand the reason of such a *démarche*, as the relations between the three countries were perfectly friendly.

Moavin-ed-Dowleh said that he had heard nothing of any such request to the Austro-Hungarian Government, and had never authorised it. He added that he was particularly careful to let the German and Austro-Hungarian Legations here understand by the coolness of his relations with them that the Persian Government had no wish for any intervention on their part.

I have, &c.

CHARLES M. MARLING.

[27723]

No. 166.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 111.)

Sir,

Gulahak, June 29, 1910.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's consul-general at Bushire, with enclosure, respecting a promise of support alleged by M. ter Meulen, a Dutch subject of Ahwaz, to have been given him by His Majesty's Government as agent for the British Dominions Marine Insurance Company (Limited).

I should be glad to know what reply I am to return to Colonel Cox.

I have, &c.

CHARLES M. MARLING.

Enclosure 1 in No. 166.

Consul-General Cox to Mr. Marling.

Sir,

Bushire, May 29, 1910.

I HAVE the honour to submit for your information a copy of a letter from His Majesty's consul at Ahwaz concerning M. ter Meulen as agent of the British Dominions Marine Insurance Company (Limited), and to enquire whether any promise of support such as that claimed by M. ter Meulen has been given him.

I am forwarding a copy of this letter to the Government of India.

I have, &c.

P. Z. COX, Lieutenant-Colonel.

Enclosure 2 in No. 166.

Consul Ranking to Consul-General Cox.

Sir,

Ahwaz, May 14, 1910.

I HAVE the honour to inform you that, in conversation, M. P. ter Meulen, of the firm of Ter Meulen, Gratama, and Co., Ahwaz, mentioned that some correspondence had taken place between himself (? The British Dominions Marine Insurance Company, Limited) and the Foreign Office, London, with regard to the measure of support which might be expected by the former from His Majesty's Government in his capacity as agent for the above-mentioned insurance company. He further went on to say that the Foreign Office had made him a promise of support.

Knowing M. ter Meulen's powers of exaggeration, I should be glad to see copies of the correspondence which passed, and to be informed as to what measure of support has been promised and is to be accorded to him.

I have, &c.

L. RANKING.

[27724]

No. 167.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 112.)

Sir,

Gulahak, June 29, 1910.

WITH reference to my despatch No. 72 of the 14th May, I am informed by Messrs. Strick's agent in Teluran that, in addition to the island of Hormuz, the Muin-at-Tujjar held Kishun, Minab, Namakdan, Khanir, Kong, and Mamaseni, near Kazerun, under lease or firman from the Persian Government.

At the time of the cancellation of the Hormuz concession the concessions for the above-mentioned places were, it appears, also withdrawn from the Muin, and orders have recently been sent by the Central Government to the local authorities to confiscate the sulphur mine at Khanir.

The Director of Customs has also been instructed to report the quantity that has already been extracted, and to forbid any further shipments.

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Mr. Brown believes that there has been little, if any, export of sulphur or salt from these mines.

I have, &c.
CHARLES M. MARLING.

[27725]

No. 168.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 113.)

Sir,

Gulahek, June 30, 1910.

I HAVE the honour to transmit herewith an extract from a private letter written by Mr. Bill, lately His Majesty's acting consul at Shiraz, who is on his way to Constantinople via Van, in which he gives a short account of the condition of the Urumia district.

I have, &c.
CHARLES M. MARLING.

Enclosure in No. 168.

Extract from a Letter of Mr. J. H. Bill.

THE Turks are all over the plain of Urumia, but not in the town. The Persians are in the town, but do not show their noses outside. The Russian infantry officer seems to think he is here for the purpose of fighting the Turks, and the Persian commander of 120 fedai horsemen at Soujboulak told me he was expecting orders to go to Urumia at any moment. Add to this that the Kurds are ragging villages all round all the time, and the Turks won't say what villages they claim and what they do not, and you have all the elements of a lively situation. Fortunately, all parties have a saving regard for their own skins. If only one tribe of Kurds had the qualities of the Afridis the thing would be a bit less farcical. I had no trouble at all at Sulduz; the Kurds are making nuisances of themselves, but only in a quiet way, blackmailing villages by cutting off their water, and so on. The caravan route is quite undisturbed. I found no confirmation of the statement that the Turks were on both sides of Lake Urumia; in fact, I am sure that they have not been east of Sulduz. They are administering Ushnu and taking revenue. Here they are scattered about in small detachments all over the plain, and they are said to be in force in the north, about Salmas.

[25923]

No. 169.

Mr. Marling to Sir Edward Grey.—(Received July 18.)

(No. 114.)

Sir,

Gulahek, July 2, 1910.

THE number of robberies on the high roads during the last few days point to an alarming increase in the insecurity of Persia. The European post-cart was attacked and looted at Buinek, some 20 miles from Kazvin, on the Resht road, and two cases of the same kind have been reported to me as having taken place near Kum, in one the mail from Sultanabad, and in the other the mail from Ispahan having been looted. Besides this, the Ispahan-Tehran road is rendered dangerous by the outrages committed by the notorious Naib Hussein, whose exploits, first at Kashan and now near Kum, the Government appear to be powerless to arrest, and a violent assault and robbery by armed men on some employés of the Indo-European Telegraph Department, about 7 miles east of Tehran, three days ago shows that lawlessness prevails at the very gates of the capital.

Three of four cases of robbery, one of them on a caravan on the Ahwaz route, have occurred in the immediate neighbourhood of Ispahan. Of the condition of the roads between Ispahan and Shiraz and Shiraz and Bushire you are only too well aware, and the slight improvement which I was able to report appears to have been a mere pause to allow the marauding tribesmen to see whether the arrival of Zaffer-es-Sultaneh, the new Governor-General, at Shiraz meant that serious measures were about to be taken to restore order. I regret to have to report, however, that Mr. Acting Consul Smart

describes his Highness as utterly incompetent, and bent only on filling his pockets, in accordance with the worst traditions of provincial rule in Persia. Mr. Consul-General Grahame's reports of the Governor-General of Ispahan are scarcely more complimentary.

Kermanshah, as I reported yesterday by telegraph, is threatened by the formidable Lur tribe of the Kallurs, under Daoud Khan, and Nizam-es-Sultaneh, who is considered to be one of the most capable governors that Persia possesses, was so mistrustful of his ability to crush the revolt that he applied to the British and Russian consulates to endeavour to dissuade Daoud Khan from attacking the town.

The state of the Yezd-Tabbas-Meshed road, on which a large British Indian caravan of over 200 camels was captured by a force of 300 Arab robbers about a month ago, is deplorable; while, 60 or 70 miles west of Kuh-i-Malik-Siah, Afghan gun-runners are continually breaking up the Indo-European Telegraph Department's central Persian line, and have made it necessary for the English employés on the line to fly for safety to Robat.

Thus, practically all the chief routes used by British trade are more or less unsafe. I have lost no opportunity of urging on the Persian Government, both verbally and in writing, the paramount importance of taking energetic measures to put an end to this state of affairs, and I propose to bring it to the notice of the president of the Medjliss.

I fear, however, that representations will be useless. The Government is quite alive to the situation, but it has neither money nor men. Under the old system a provincial governor kept order on the roads by putting each section under the care of a local headman, who was held responsible for its security, and if a case of robbery occurred the governor sent a handful of his retainers to exact a fine from the negligent official, and by this rough and ready system an energetic governor maintained security without much expense. But these primitive measures were displeasing to the Medjliss, and have been abolished in favour of a regularly organised force of road guards. Unfortunately, however, the road guards do not exist, or, in the few places where there is a pretence of such a force, the men are unpaid, and naturally, in those circumstances, nothing efficient can be expected.

The Treasury seems to be in desperate straits, so much so that, when the Minister of the Court applied for 20,000 tomans to allow him to pay some of the arrears due to the household, so as to induce them to face the extra expense of moving into the country with the Shah, only 10,000 tomans was promised, and it is probable that His Imperial Majesty will be obliged to spend the whole of the summer in Tehran. I am told that the deficit for the last two years is estimated by the Minister of Finance at 17 crores of tomans, or rather more than 1,500,000*l.*

To a great extent, the disorders in the provinces are only the counterpart of the chaos that exists in the Government at Tehran. The Cabinet itself is hopelessly divided; intrigue is as rampant as ever; Ministers interfere in each other's departments, and in the departments themselves there is no organisation or system, and the feeble efforts that are occasionally made to reform them are constantly thwarted by self-interest and ignorance; the Medjliss complains that the Ministers disregard its wishes, and the Ministers that the Medjliss hampers their work, and both that the maleficent influence of the clergy is the root of half the trouble.

The prospect of obtaining money in the near future is small. A necessary preliminary to any financial operation—except with the two Powers—is, of course, the conclusion of an agreement for the consolidation and service of the Government's debts to the Russian Bank, and the Persian Government are showing little disposition to push forward the negotiations for this purpose. But, supposing that this difficulty is surmounted, there still remains the question of security for an advance, whether from the two Powers or from other sources. For an advance of so small an amount as 400,000*l.* security can be found, but there will be considerable haggling before any arrangement is reached, for, thanks to the ill-considered offers made by such persons as Mr. Cohen, Mr. Osborne, and Mr. Moore, the Persian Government have the most inflated ideas of the country's credit. There is, of course, the possibility that the projected internal loan will meet with a measure of success, but no one who is acquainted with the country has any faith in it, and the present state of insecurity is not calculated to reassure the native public.

In such conditions the probability of the restoration of order on the southern roads in a reasonable period is slight, and I venture to suggest that the time has come when it is necessary to intimate clearly to the Persian Government that the prolonged interruption of British trade is intolerable, and that His Majesty's Government will

have to consider what measures they can take themselves to put a stop to it. The circumstances not only warrant, but demand, extremely plain speaking, if we are to bring it home to the ruling classes in Persia that they must put their house in order. For this purpose I would propose that the Persian Government should be informed that if, by the end of September, such a degree of security has not been established on the main trade routes in the south as to permit ordinary caravan traffic to be resumed, His Majesty's Government will take the duty in hand themselves. I am quite aware that a threat of this kind has less significance when coming from us than when made by Russia, for the simple reason that the Persians are quite certain that our troops would be withdrawn as soon as their work was accomplished. On the other hand, it would, for just the same reason, be proportionately less resented. It would serve to bring the Persians to a sense of the deplorable failure which has hitherto attended the experiment of self-government. It would stimulate the few who realise that, until European assistance, in the shape of advisers and instructors, is enlisted, no progress towards reform and reorganisation is possible to enforce their views; it would bring the Government and Medjliss face to face with their desperate financial position, to which at present they appear resolved to shut their eyes.

It is quite possible that, under pressure of a threat of this kind, the Persian Government will find means to restore order. The successful efforts of Yeprim in Azerbaijan show what can be achieved when sufficient pressure is applied, and, now that Yeprim has arrived in Tehran, his services might be used with equally good effect in Fars. The one real difficulty is the money question, but the Government know quite well that for such a purpose they have only to apply to the two Governments, and they are only restrained from doing so by the insensate anti-Russian agitation of the ultra-Nationalists.

I have, &c.

CHARLES M. MARLING.

P.S.—Since writing the above I have received a letter from the acting director of the Indo-European Telegraph Department, calling my attention to the alarming increase in the number of acts of wilful damage to the telegraph line in the Fars province; these acts of "wilful damage" are almost exclusively the breaking of insulators, and during the past month 377 insulators have been broken, each breakage being accompanied by a partial, and sometimes a complete, interruption of wire suspended thereon. Mr. King Wood adds that the department gholams, who formerly were not called on to make repairs of this kind, save half-a-dozen times a month, have now to be engaged continuously upon this class of work, and are now frequently assaulted and robbed. I am making strong representations to the Persian Government on the matter.

C. M. M.

[27727]

No. 170.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 116.)

Sir,

Gulahak, July 4, 1910.

HIS Majesty's Minister duly communicated to His Majesty's consul at Mohammerah the substance of your despatch No. 146 of the 27th October last, explaining the attitude of His Majesty's Government in regard to the question of the Turco-Persian frontier in that district, and I have now the honour to transmit to you herewith copy of a despatch from His Majesty's consul-general at Bushire,* in which is enclosed a further letter from Lieutenant Wilson on this question.

Lieutenant Wilson urges two additional reasons in support of the suggestion that we should seek arguments that would enable us to set aside the recommendations of the mediating commissioners and to uphold the boundary that has been recognised in practice by both parties for years past, and he requests that to enable him to examine the question on the spot thoroughly, he may be furnished with a tracing on the original scale of the maps prepared by the commissioners in 1851.

Colonel Cox generally endorses Lieutenant Wilson's remarks, and I venture myself to offer a few observations in support of them.

It may perhaps appear inconsistent that His Majesty's Government should not

* Consul-General Cox, No. 25, May 8, 1910 (not printed: see "Persia," May 28, section 2).

maintain the boundary recommended by their own commissioner, but I venture to submit that in the only circumstances in which the question of the frontier near Mohammerah is likely to be raised, *i.e.*, by the Turks, our position in arguing for the formal recognition of the actual *status quo* will be far stronger logically than that of the Turks in attempting to repudiate it. The supposition that the Turks would revive the claim put forward by Dervish Pasha may, I think, be ruled out of court, and it is difficult to see how they could appeal to the recommendations of the mediating commissioners. They have almost invariably in the past, and more especially in recent years, studiously affected to ignore the findings of the commission, and their present attitude is indicative of a desire to act as though they were free to disregard its work entirely and examine the matter again *ab origine*. Such at least has been their attitude in the pending frontier disputes in the Urmia districts, where they have been endeavouring by not too scrupulous means to create a claim founded on the argument of occupation, administration, nationality of inhabitants, &c., with little or no regard for the findings of the Anglo-Russian Commission. In fact, the very arguments which they are endeavouring to make good in the case of Urumia are precisely those on which, with incomparably greater justification, Sheikh Khazal would rely at Mohammerah, to say nothing of the fact that his case is greatly strengthened by the existence of a *de facto* frontier recognised for years by the Ottoman authorities themselves.

If there seemed to be any reasonable prospect that the Turks will admit the mediation of the two Powers on the basis of the recommendations of the Anglo-Russian Commission in the Urumia districts, it would evidently be difficult for us to insist on any other basis at the southern end of the frontier; but that prospect is small, and in the circumstances I venture to urge that it is perfectly legitimate for us, if not incumbent on us, in view of our relations with Sheikh Khazal, to select another line of argument, and especially that which the Turks themselves employ to make good their pretensions at other points of the frontier.

I have, &c.

CHARLES M. MARLING.

[27728]

No. 171.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 117.)

Sir,

Gulahak, July 4, 1910.

SARDAR ASSAD, the Minister of War, called on me on the 27th ultimo, when the expression of popular feeling excited by the nationalists against Russia over the recent incidents at Chargar and at Tabreez had reached its highest point, and asked me what I thought of the situation. I told his Excellency that observers well qualified to judge were asking themselves how long Russia would tolerate the campaign of malicious agitation that was being conducted against her in Tehran. As for myself, I could not understand the extraordinary folly of these people. Could they not realise that as Persia must have relations with Russia it was well that those relations should be good and friendly, and were they so insensate as to imagine that they could struggle against a Power whose armed forces alone were equal to one-third of the entire population of Persia? And unfortunately the Government, instead of checking the pernicious clamour of that party, stood by and watched public opinion being infected by it. Why did not the Minister for Foreign Affairs, whose special duty it was to foster good relations between Persia and her neighbours, protest in the Chamber against the campaign of the nationalists? I had never seen in the accounts of the proceedings of the Medjliss a single occasion on which a voice had been raised against this suicidal agitation, and so far as I could learn the conduct of foreign relations was left entirely in the hands of the Foreign Affairs Committee of the Medjliss, and the result was just what might be expected from a body of which Taghi Zadeh, Hussein Kuli Khan, Wahid-ul-Mulk, and Hakim-ul-Mulk, all fanatical Russophobes, formed the majority. What possible chance was there of any Russian question obtaining a fair hearing from the committee, which never came into contact with the Russian Legation or with the British Legation, but which kept quite aloof from us, and sitting with closed doors probably worked itself up into hysterics over fancied wrongs. There must always be "incidents" between Russia and Persia; the great number of the, so to speak, "floating" population of doubtful or double nationality made that inevitable, and therefore it was the more necessary that every effort should be made towards minimising them, and he, Sardar Assad, could be quite sure that if

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these incidents were left to be settled by the Russian Legation and a competent Minister for Foreign Affairs, instead of being judged by a violently prejudiced irresponsible committee, the relations between Persia and Russia would speedily become amicable.

Sardar Assad said he saw the truth of these observations, and, hinting that the Minister for Foreign Affairs was totally unfitted for his post, promised that he would make himself the advocate of a more conciliatory policy towards Russia. But, he continued, the obstacle was the prolonged presence of the Russian troops. I retorted by asking his Excellency why the Persian Government had made no reply to the intimation made by the Russian Minister about three weeks previously of the terms on which he was willing to negotiate for their withdrawal? His Excellency said that the Cabinet crisis had prevented it, and went on to ventilate some of the grievances of Persia against Russia, but I cut short his tale of woe by saying he was doing exactly what I had tried to warn him against, namely, expatiating on Persian wrongs instead of going to discuss them with the Russian Minister, who would always meet him in a most conciliatory spirit. Sardar Assad asked if I could guarantee that the Russian Government's sentiments and policy were really friendly. He entirely believed in the sincerity of M. Poklewsky, but the proceedings of some Russian officials in Persia produced the impression that they were acting on secret instructions. I told his Excellency that he only heard a one-sided account of these proceedings, and that in the majority of cases he would probably find, if he would take the trouble to discuss them with the Russian Legation, that, as in the Tabreez incident, the Persians were at least as much responsible as the Russians; and as for the Russian Government, I could assure him that they desired good and intimately friendly relations with Persia no less than ourselves.

I have ventured to record this conversation at some length, as I think it will serve to depict fairly accurately the attitude of the Persian Government in Russian questions.

On leaving me, Sardar Assad went to the Russian Legation, and, in the course of conversation with M. Poklewsky, the subject of the withdrawal of the Russian troops turned up. M. Poklewsky told the Minister for War of the bases of negotiation which he had privately intimated to the Persian Government at the end of May, namely (1) the extension for three years of the period granted under the Karadjadagh Mining Company's concession for exploration and prospecting, which is required in view of the fact that for the past three years the disturbed state of those regions has prevented the company from working; (2) the permission to import sixty motor cars duty-free for use on the Resht-Tehran road; and (3) the recognition of the original status of the Cossack brigade.

Sardar Assad at once said the first two points had been agreed on in principle already, and that he could settle them definitively himself; to the third he made some slight demur, but he assured M. Poklewsky of his earnest wish to promote friendly negotiations about the troops.

Up to the 3rd July, however, the Persian Government have given no sign of any desire to discuss the question with M. Poklewsky, and on the 2nd, Sardar Assad declared in the Chamber that the Russians "have openly declared that they only search for pretexts" to embarrass Persia.

I have, &c.

CHARLES M. MARLING.

P.S.—Since writing the above I have taken the opportunity of speaking in very much the same sense to Musteshar-ed-Dowleh.

C. M. M.

[27729]

No. 172.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 118.)

Sir,

Gulahek, July 4, 1910.

IN continuation of the telegram No. 271 of the 2nd July, in which I reported that, according to information received by His Majesty's consul at Tabreez, there seemed to be serious grounds for apprehension that the Kurds might begin to commit excesses against the Christians in the Urumia districts on a large scale, I have the honour to state that Mr. Shipley considers that the existing effervescence may be partly

due to the irritation felt by the Kurds at the escape of a Christian woman from their clutches. According to the Kurds, the woman had voluntarily embraced Islam, but Mr. Shipley considers that this assertion is sufficiently disproved by the danger and suffering she underwent to effect her escape. The woman, who belongs to the Greek Orthodox Church, is now in safety at the French Catholic Mission, and the Russian Minister informs me that the Governor of Urumia has expressed himself to the Russian consul as feeling some uneasiness for the safety of the mission.

It is possibly for this reason that the French Embassy at Constantinople, so M. Tcharikoff has telegraphed to M. Poklewski, is showing an interest in the state of those districts.

I have, &c.

CHARLES M. MARLING.

[27730]

No. 173.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 119.)

Sir,

Gulahek, July 7, 1910.

WITH reference to my telegram No. 277 of to-day's date, I have the honour to report that M. van Oudendijk called on me yesterday afternoon, and said that he wished to know whether His Majesty's Government would raise any obstacle to a Dutch syndicate applying for the concession for irrigation works at Ahwaz in virtue of the option obtained by M. de Stürler in January 1909 (see Sir G. Barclay's despatch No. 9 of the 22nd January, 1909).

He said that he understood that His Majesty's Government were only anxious to be assured that no third Power was behind the Dutch group, and he could assure me that this was not the case; the Dutch syndicate hoped that at least one-half of the capital would be British and the remainder Dutch, and in the circumstances he presumed that there would be no objection. I said I thought that he correctly described the attitude of His Majesty's Government towards the project, but that I could not of course give him any answer until you had been consulted, and suggested that the proper course would be for the Netherlands Minister in London to sound you. M. van Oudendijk, however, begged me to telegraph to you.

In answer to my questions, M. van Oudendijk said that the revival of this scheme had been mooted not by himself, but by a member of the Medjliss, whose name he was obviously disinclined to reveal, but he could not say whether the Dutch syndicate had already found any financial backing in England; so far as he knew, the only attempt to do so had been made to Mr. Lynch by M. van Roggen, a Dutch engineer from the Dutch East Indies, who made a survey at Ahwaz in January 1905. It will be within your recollection that this gentleman's work was adversely criticised by Major Morton, who was deputed by the Government of India to examine the prospects of successful irrigation in the interests of the Sheikh of Mohammerah.

M. van Oudendijk seemed to possess a very limited acquaintance of the question, and appeared to think that the site of the contemplated works was in Bakhtiari country.

He concluded by saying that he had reason to believe that the acquisition of the concession would be rendered easier if the Persian Government were left under the impression that the enterprise was purely Dutch, and he therefore asked that His Majesty's Legation would show no interest in it.

I presume that if the Dutch syndicate are able to satisfy His Majesty's Government as to the origin of the capital to be invested, it would be difficult to raise objections to the scheme being pursued here, more especially as irrigation works are not among those which we have specified as affecting our political or strategic interests.

I have, &c.

CHARLES M. MARLING.

[27731]

No. 174.

Mr. Marling to Sir Edward Grey.—(Received August 2.)(No. 120.)
Sir,*Gulahak, July 7, 1910.*

AS you may remember, Dr. Sadowski, the ex-Shah's Russian physician, over whose re-appointment there was so much difficulty after the revolution, died while on leave in Russia last spring.

On learning of Dr. Sadowski's death, the Russian Minister consulted Sir G. Barclay whether he should recommend his Government to press for the engagement of a successor, and enquired whether Dr. Lindley, whose contract will expire in the course of this year, intended to apply for a renewal of his contract. Having heard a few days previously from Dr. Lindley that he did not wish to remain longer in Tehran, Sir G. Barclay informed M. Poklewski in that sense, and the latter replied that in that case he would advise his Government not to press for the appointment of a successor to Dr. Sadowski. When he heard of Dr. Sadowski's death, Dr. Lindley changed his mind and informed Sir G. Barclay that if he could count on being the only foreign doctor attached to the Shah he would apply for an extension of his engagement, to which Sir G. Barclay replied by pointing out to him that, if he made the application, M. Poklewski would certainly press for the appointment of a Russian physician also. Dr. Lindley said that this altered the case, and he would like to have time to consider his final decision.

Subsequently M. Poklewski, who had apparently deferred his intended advice to his Government, received an enquiry from St. Petersburg whether it was desirable to appoint a successor to Dr. Sadowski, and he informed Sir G. Barclay that he proposed to reply that he should be authorised to inform the Persian Government that the Russian Government would not press the matter except in the event of the appointment of a foreign medical man to the Palace; this advice was, of course, tantamount to barring Dr. Lindley's re-engagement, as if only on the score of economy the Persian Government would, to avoid being forced to accept a Russian, have decided not to appoint any European at all.

Matters stood thus on my arrival, and in talking the case over with M. Poklewski, I pointed out to him that the course he proposed would result in the immediate loss of two votes on the Sanitary Council, and very probably in the eventual gain of one vote to the Germans. There were several officials in the Shah's entourage who had been educated in Germany, and should the Shah's state of health at any time make it desirable to call in European medical advice, their influence would probably secure the selection of a German, following the precedent of Professor Danisch in 1907. This had only to occur once or twice and we should see a German doctor appointed first as honorary physician, and later as physician in ordinary to the Palace, and the Russian Government would then be in the invidious position of having to force the Persian Government to engage a Russian doctor also. It seemed to me that the easier course of allowing Dr. Lindley to renew his engagement (which, I understood, would be a simple matter provided the Russian Government did not insist on the appointment of a successor to Dr. Sadowski) was also the more politic. Dr. Lindley took no interest whatever in politics, and Russian influence at court was, I thought, well represented by M. Smirnow, the Shah's tutor.

M. Poklewski concurred in this view, and said he would defer replying to his Government until Dr. Lindley should have decided whether he would apply for his re-engagement or not. At the same time he intimated verbally to the Persian Minister for Foreign Affairs that if a European physician to the Shah were appointed, the Russian Government would claim the right to nominate a successor to Dr. Sadowski.

About ten days ago Dr. Lindley informed me that he was applying for a renewal of his engagement with the Persian Government. But he was suggesting that, instead of being merely physician to the Shah, he should be nominated consulting physician to the Shah, medical adviser to the Persian Government, and chief medical officer of Tehran. As consulting physician he would be much less frequently at the Palace than hitherto, which he thought would render his appointment less unacceptable to the Russian Government, while, as a medical officer, he could render valuable services to the Government and municipality.

M. Poklewski, whom I at once apprised of the proposal, said that he would advise his Government to acquiesce in it and not to press for the nomination of a successor to Dr. Sadowski.

Dr. Lindley's proposed new contract contains no time limit, but simply provides

that it can be terminated at will by either party, in which case Dr. Lindley would receive one year's salary. This arrangement puts it in the power of the Persian Government to escape from the circumstances in which the Russian Government might press for the engagement of a Russian physician.

I have, &c.

CHARLES M. MARLING.

[27732]

No. 175.

Mr. Marling to Sir Edward Grey.—(Received August 2.)(No. 121. Secret.)
Sir,*Gulahak, July 8, 1910.*

HIS Majesty's Ambassador has been so good as to send me a copy of his despatch No. 387 of the 18th June, giving what purports to be the substance of a telegram recently sent by the Turkish Ambassador in Tehran to the Sublime Porte, describing the views of the Regent on the situation of Persia in regard to the neighbouring Powers.

I see no reason to doubt the authenticity of the document which has come into Sir Gerard Lowther's possession, for it is precisely the kind of report which Hassib Bey might be expected to send; but on the other hand, it seems to me to be extremely unlikely that the Regent, who is such an adept at sheltering himself behind amiable generalities as to have earned the nickname of the "Gramophone," would have given utterance to so very definite a statement as that set forth in the telegram. Probably Hassib Bey, who is a ready talker, gave his own view of the situation to Naib-es-Sultaneh, who sometimes politely assented to, or at least did not differ from, and sometimes gently amended, the Ambassador's views, and in reporting to Rifaat Pasha, Hassib Bey made it appear as though the Regent had volunteered a general sketch of his own views.

The statement itself is not without interest, as I think that, making allowances for the inevitable colouring given by its author, it sums up pretty fairly the present state of public feeling. The intention ascribed in the first paragraph to Great Britain is undoubtedly that held popularly since the two Powers enunciated the conditions on which they were prepared to respond to the Persian request for an advance in February last, and it is not one from which the Regent would seriously dissent if it were suggested to him by the representative of another Power. The reference to Germany is, I think, fairly representative of Persian views, i.e., they have no belief in German disinterestedness, but believe that her policy here is directed to achieve one or both of two objects, i.e., cause dissensions between Russia and ourselves, and gain some commercial advantage for herself.

The rest of the statement amounts to no more than an admission that, if Persia has to be absorbed by a foreign Power, Persians would find the process less intolerable at the hands of Moslems than of Christians. It is true that the Turkish encroachments in the Urumia districts now attract little notice, but in the winter of 1907-8 popular feeling ran high on the subject, and I believe that the same may very well occur again, when the Russian detachments have been withdrawn.

I have, &c.

CHARLES M. MARLING.

[27733]

No. 176.

Mr. Marling to Sir Edward Grey.—(Received August 2.)(No. 122.)
Sir,*Gulahak, July 8, 1910.*

I HAVE the honour to transmit to you herewith a statement, translated by Mr. Churchill, of the receipts and expenditure of the national fund which has been prepared and presented to the Medjliss by the treasurer, Vekil-ul-Roaya. Vekil-ul-Roaya, the Hamadan deputy, as you are aware, is an influential and trusted member of the Medjliss Committee for Financial Questions, and in the course of his duties he has unearthed and exposed with uncompromising rectitude a number of those abuses which were so common under the old régime, and of which many probably still survive. He has thus made a host of enemies among those who are interested in the

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2 N

continuation of such abuses, and in these circumstances it is permissible to assume that the general belief that a recent question asked in the Medjliss calling in question the Vekil's integrity was due to the intrigues of persons to whose interest it was to discredit him, and that the publication of this statement is meant as a vindication of his stewardship of the fund.

The list of the contributors to the fund, and of the sums paid by them to the fund, is interesting reading. A significant fact is that against the modest sum of 50 tomans paid by Mirza Mohsin Khan we find the note "paid voluntarily." It is the only contribution so honourably mentioned, and it would thus seem to point to two conclusions: first, that only one individual in the Persian Empire has sufficient faith in the new order of things to offer his mite in its support; and, secondly, that the other contributions are, in the majority of cases, really exactions from persons who are known to have amassed wealth under the old régime, and whose sincere conversion to the constitutional creed has yet to be proved. That this is true in the case of the largest contributor, the Zil-es-Sultan, who is mulcted in the large sum of 224,245 tomans (more than 40,000*l.*), in circumstances too well known to be repeated here, cannot be denied, and the merest glance at the other names in the list leaves no reasonable doubt that most of the other contributors had scarcely more choice in the matter than His Imperial Highness.

The assessment of these "benevolences" appears to have been made in accordance with the supposed wealth of each individual, allowance being made for the orthodoxy or otherwise of his political opinions. Thus, Prince Ain-ed-Dowleh's contribution is as much as 87,300 tomans; while Moha-ut-Tujjar, who is credited with great riches, is, as a prominent member of the first Medjliss, let off with the modest sum of 20,000 tomans. From the legal point of view, an exaction of this kind is no doubt indefensible, but the general public opinion in this country approves it as a natural act of retributive justice, and those who condemn it as a sorry example of the way in which constitutional government is understood in this country should remember the straits in which the young Government found itself for money.

The total sum thus collected amounts in all to 739,046 tomans, of which about 300,000 tomans are represented by real estate, promissory notes, and securities, which apparently have not yet all been realised in cash. The cash receipts amount, in round figures, to 437,000 tomans, and nearly all of this has been paid over to the Ministry of Finance; out of this sum 120,000 tomans have been applied to the expenses incurred in the military operations in Azerbaijan, and 110,000 tomans to the payment of the Mujaheddin, an irregular force under little control, whose usefulness is by no means commensurate with the cost of its maintenance. In Tehran, at least, its existence is rather a menace to, than a guarantee of, public security.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 176.

TRANSLATION of a Statement of the Receipts and Expenditure of the National Fund prepared by Vekil-ul-Roaya.

Subscriptions Collected.

	Tomans	Tomans	kr.	c.
Haji Amir Nizam Hamadani..	..	20,000	0	0
Ikhed-ed-Dowleh	500	0	0
Brikhac-et-Tujjar	2,000	0	0
Amin-ul-Mulk (the late)	3,000	0	0
Amjad-ed-Dowleh	700	0	0
Baha-ul-Mulk Hamadani	2,000	0	0
Arfa'-ed-Dowleh (cash and house)	10,000	0	0
Prince Baha-ed-Dowleh	1,000	0	0
Erbab Jamshid	2,000	0	0
Heshmet-ul-Mulk	2,954	0	0
Sadar Mansur	250	0	0
Dahir-ed-Dowleh	200	0	0
Saad-ul-Mulk	7,245	1	30
Haji Seyyid-es-Sultaneh	1,100	0	0
Seyyid-ul-Mulk (the late)	20,000	0	0
Prince Saif-ed-Dowleh (shares in Astara Road)..	..	5,000	0	0

	Tomans	Tomans	kr.	c.
Sardar Mansur ..	..	2,000	0	0
The Prime Minister (Sipahdar) ..	..	177	0	0
Sidd-es-Sultaneh ..	..	2,500	0	0
Zia'-ul-Mulk Hamadani ..	..	3,000	0	0
Ala-ed-Dowleh ..	..	3,000	0	0
Fakhr-ul-Mulk ..	..	500	0	0
Mukhber-ed-Dowleh ..	..	10,000	0	0
Prince Zil-es-Sultan—				
Cash ..	154,245			
Promissory note ..	70,000			
		224,245	0	0
Prince Ain-ed-Dowleh—				
Cash ..	52,300			
Estates in Karchidagh ..	35,000			
		87,300	0	0
Kavam-ed-Dowleh—				
Cash ..	9,000			
Corn (not yet delivered) ..	9,000			
		18,000	0	0
Prince Farman Farma—				
Paid by him to Mujahidin (not in Finance Ministry's account) ..	3,000			
Four Kerman carpets ..	4,000			
Cash ..	9,200			
		16,200	0	0
Ala-ed-Dowleh and Shams-ul-Mulk (on account of late Vaghiullah Mirza Sipahsalar) ..		20,350	0	0
Muvassak-ul-Mulk ..		2,480	0	0
Muavin-es-Sultan ..		10,000	0	0
Moaddil-ul-Mamalek ..		500	0	0
Mushir-es-Sultaneh—				
Promissory note ..	15,000			
Caravanserai ..	30,000			
Shares in Astara Road ..	7,500			
Cash ..	7,500			
		60,000	0	0
Motamid-ut-Harem—				
Cash ..	2,000			
Bill on Aminuz Zerb ..	1,000			
		3,000	0	0
Muin-ut-Tujjar Boshiri ..		20,000	0	0
Mohakak-es-Sultaneh ..		1,000	0	0
Seyyid Abulkassem Khan Mustanfi ..		5,000	0	0
Mushir-ed-Dowleh ..		1,000	0	0
Mushir-ut-Tujjar ..		1,000	0	0
Sadr-ul-Vaizin ..		1,960	0	0
Majd-ed-Dowleh—				
Cash ..	1,000			
Estates ..	20,000			
		30,000	0	0
Mushir Khalvat ..		5,000	0	0
Mir Hashem Tabrizi ..		5,939	0	0
Moez-es-Sultan ..		3,990	0	0
Mun'-ed-Dowleh Zenjani ..		7,000	0	0
Hajib-ed-Dowleh (Muin-es-Sultan)—				
Cash ..	100			
Draft on Premier ..	5,800			
Draft on Mustaufi-el-Mamalek ..	600			
		6,500	0	0
Mohandis-ul-Mamalek ..		506	0	0
Mirza Mohammod Hussein Manganuch (on account of bribe received last year from Mushir-es-Sultaneh and taken back) ..		500	0	0
Mirza Mohsen Khan (paid voluntarily) ..		50	0	0
Naser-es-Sultan ..		2,700	0	0
Prince Nayer-ed-Dowleh—				
Cash ..	10,000			
Estates in Nishapur ..	25,000			
		35,000	0	0
Naser-ed-Dowleh ..		3,000	0	0
Hezret Olia (Princess) ..		5,000	0	0
Nizam-es-Sultaneh ..		15,000	0	0
Haji Nasser-es-Sultaneh (estates) ..		30,000	0	0
Nazim-es-Sultaneh ..		300	0	0
Haji Bagher Serraf (claim on Mohammed Ali Mirza) ..		10,000	0	0
Etemad-ul-Harem (shares in Sherket Umoumi) ..		2,000	0	0
Mohazib-ul-Mulk ..		2,200	0	0
Mohammed Ali Khan Mustaufi ..		2,000	0	0
Total ..		739,046	1	39

	Tomans	Tomans kr. c.
Placed against debts of Mohammed Ali Mirza—		
Zil-es-Sultan's promissory note	70,000	
Mushir-es-Sultaneh's promissory note	15,000	
Haji Faraj's promissory note	20,000	
Haji Bagher Serraf's promissory note	23,000	
	128,000	0 0
Estates in hand—		
Arfa-ed-Dowleh's	7,494	
Mushir-es-Sultaneh's	30,000	
Majd-ed-Dowleh's	20,000	
Nasser-es-Sultaneh's	30,000	
Nayer-ed-Dowleh's	25,000	
Ain-ed-Dowleh's	35,000	
	147,494	0 0
Shares in Astara Road	12,500	
" Sherket Omoumi	2,000	
	14,500	0 0
	289,994	0 0
Paid to Mukhber-es-Sultaneh	12,000	0 0
" Ministry of Finance	437,051	6 30
Total receipts	739,046	1 30

Regarding the sum of 439,046 tomans 1 kr. 30 c. [?] received in cash by the Ministry of Finance, though it is no concern of mine, I give the following approximate account of its expenditure for the information of the honourable members:—

	Tomans kr. c.
For repairs (to the Medjliss (?)), &c., in accordance with draft of	
National Assembly and the Minister of Public Works	80,000 0 0
Three quarterly instalments paid to Mohammed Ali Mirza	75,000 0 0
For the expenses of the troops in Azerbaijan, Zenjan, and Ardabil	120,000 0 0
" " Askabad and Burujird	40,000 0 0
Paid to "Mujahidin"	110,000 0 0
Other expenses	12,051 6 30
Total	437,051 6 30

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No. 177.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 123.)
Sir,

Gulahek, July 12, 1910.

WITH reference to Sir G. Barclay's telegram No. 822 of the 31st December, 1909, I have the honour to report that Mr. George New took up his work in the Persian Telegraph Department on the 1st instant.

No contract has yet been signed, as the Medjliss would not allow the conclusion of any contract unless signed by Mr. New himself. It was pointed out that so long as he was in the service of the India Office, Mr. New could not enter into any contract, and that the arrangement could only be concluded between the Persian Government and the Indo-European Telegraph Department, but the new Minister of Telegraphs, Motamed-i-Khakhan, declined to take the responsibility of disregarding the absurd objections of the Chamber by signing the contract with the department. He, however, repeatedly and urgently applied to Mr. King-Wood that Mr. New should take up his work at the Persian administration, and it was finally arranged that to get over the difficulty of the contract, Mr. King-Wood should write a letter to Motamed-i-Khakhan, embodying all the stipulations of the draft contract, and providing that Mr. New's salary should be retained out of the payments to be made from the department to the Persian Government. The letter was acknowledged by the Minister of Telegraphs.

It augurs ill for the prospects of early reorganisation of the Persian departments that an unreasonable objection of the Medjliss should have caused a delay of some six months in so simple a matter.

I have, &c.

CHARLES M. MARLING.

[27736]

No. 178.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 125.)
Sir,

Gulahek, July 12, 1910.

IN my telegram No. 268 of the 30th ultimo, I had the honour to report that an insurrection of a somewhat serious nature had broken out in the province of Kermanshah.

Daoud Khan, at the head of the Kalhor tribe, recently appeared with 1,800 men at Mahidasht, some 20 miles from Kermanshah, asserting that he hoped to arrange with the Governor-General the affairs of his tribe.

In view of the grave situation in Luristan, where Sardar Akram has formed a coalition of tribes and threatens Kermanshah and Hamadan, His Majesty's acting consul and his Russian colleague pointed out to the Governor-General the desirability of Daoud's Khan's departure. His Excellency replied that he hoped to persuade the latter to withdraw in a few days, but, failing success, he would seek the consuls' mediation. The Russian Minister and I thereupon instructed the two consuls, should the Nizam apply to them, to use their influence with Daoud, and to visit him if necessary.

The Governor-General, however, made no application to the consulates, but on the 28th ultimo left the town and with his loyal Sinjabi force attacked Daoud. So far from realising his hope of inducing Daoud to withdraw, he was repulsed with heavy loss and returned to Kermanshah. The khan then informed the consuls that, having been thus wantonly attacked by the Nizam, he sought the aid of the two Powers to settle the matter in dispute; he would accept any proposals they might make, and desired an interview with the Governor-General.

Meanwhile his Excellency, without making any fresh overtures to the consuls, was showing marked signs of again taking precipitate action, and, to obviate the danger of such a course, the two consuls proposed a settlement by the payment of arrears of taxes and the limitation of Daoud's activity to his own territory.

M. Poklewsky and I have authorised the consuls to inform the Nizam of Daoud's letter, and, subject to his Excellency's concurrence, to try to arrange terms with Daoud, and, if necessary, by reason of the Nizam's refusal to accept the consuls' assistance, to advise him to submit to the Government.

The Persian Government, to whom I did not fail to make representations in the sense of your telegram No. 201, have informed me that Daoud has professed his loyalty to the central Government, and my latest information is to the effect that he has retired some 15 miles farther from Kermanshah.

I have, &c.

CHARLES M. MARLING.

[27737]

No. 179.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 126.)
Sir,

Gulahek, July 12, 1910.

SINCE I wrote my despatch No. 114 of the 2nd July the reports which I have received from His Majesty's consul-general at Ispahan showed that the state of affairs on the roads converging at that city from Shiraz and Ahwaz was growing daily worse, and Mr. Grahame at last described the neighbourhood as being "terrorised by Kashgai robbers."

Having found that notes to the Minister for Foreign Affairs and verbal representations to the Minister of Interior or Minister of War are equally useless, the former being merely referred to the Medjliss Committee for Foreign Affairs and the latter met with unfulfilled promises, it seemed to me necessary to take some other means of forcing the attention of the Government to the necessity of restoring order, and I therefore, as reported in my telegram No. 281 of the 8th July, instructed Abbas Kuli Khan, Nawab, to gain admittance to the next council of Ministers and give them clearly to understand that His Majesty's Government could not much longer tolerate the almost total suspension of British trade. I enclose a memorandum by Abbas Kuli Khan of his interview with the Ministers, at which Musteshar-ed-Dowleh, the president of the Medjliss, was also present. Abbas Kuli Khan appears to have carried out his mission with great tact, for without himself making any mention of the

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possibility of our sending troops, he succeeded in leaving behind him the impression that His Majesty's Government may be compelled to take that course; and he did so without arousing any resentment. I have some hopes that, although it seems practically certain that the present Government will fall, the good impression will not be lost on their successors. But except under very strong pressure I am convinced that the Persian Government, whatever it may be, will do nothing. It is not that its members could not do something; if they would employ the old-fashioned means the task is not one beyond their powers, but the general sense of the Medjliss is against that course, and is even more averse from the appointment of the men whose experience, acquired under the old régime, would ensure the success of those means. Even these objections might be surmounted if the Cabinet were in earnest. But unfortunately the Cabinet is much too occupied with its own internal squabbles and intrigues to look to the interests of the country, and until it receives a warning so serious that it cannot be disregarded, the same indifference to our protests and representations will continue.

On the morning of the 10th I received a report by telegraph from Mr. Grahame, the substance of which I forwarded to you in my telegram No. 282 of the same day, that the presence of 200 to 300 Kashgais in the town and the intended departure of the governor and a considerable quantity of the troops at his disposal gave rise to some anxiety. As the Cabinet had once more tendered its resignation, I at once sent telegraphic messages to the under-secretaries at the Department of the Interior and for Foreign Affairs requesting that energetic measures should be taken for the maintenance of tranquillity in Ispahan; and having occasion the same afternoon to call on Mustashar-ed-Dowleh, who, though he has just resigned the presidency of the Medjliss, is certain to take some office in the new Cabinet, I spoke to him very earnestly on the deplorable state of the southern provinces, and he promised to use his influence to restore security.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 179.

Memorandum by Abbas Kuli Khan.

BY Mr. Marling's instruction I proceeded to town yesterday to speak to the Cabinet about the increasing insecurity on the roads in Southern Persia. I found the Grand Vizier in the Parliament building. I informed his Excellency that I had come on the part of His Majesty's chargé d'affaires to put certain matters before the Cabinet. His Excellency ushered me into the adjacent room where all the Ministers were sitting. After the usual exchange of compliments, I asked leave to read out to them the three notes which His Majesty's chargé d'affaires had written to the Persian Foreign Office about the deplorable situation in Southern Persia. Notwithstanding their protest that they had already seen the notes, I proceeded with the reading out of the last note of Mr. Marling's, dated the 6th July. The Grand Vizier replied that if the present state in the northern provinces were to be compared with that of last year, it would be seen how much improvement was made, but in spite of that, the Russian and British Legations were always complaining at the slightest quarrel even between two individuals. I remarked that whatever might be the state of the northern provinces, the condition of the south was such that I did not believe that it could be tolerated much longer by His Majesty's Government, who are constantly approached by the firms and traders doing business with Persia complaining of the increased insecurity in Southern Persia. What would be the ultimate result? I enquired. Sardar Assad, Minister of War, at once replied that the Persian Government highly appreciates the friendliness hitherto shown by His Majesty's Government in avoiding to make a military demonstration in the country. Of course, his Excellency said, 200 Indian sepoy would have restored order in Southern Persia. To show their gratitude, I said, the Persian Government should take some steps to relieve His Majesty's Government of their anxiety by restoring order on the trade routes. Sardar Assad replied that, with regard to the Kashgai brigands near Ispahan, the Bakhtiari have been ordered to pursue and punish them, but with regard to the disorder in Fars, a racial change in the administration of that province is indispensable, and that the Cabinet is now engaged in discussing the matter, the result of which would be communicated to His Majesty's Legation in the form of a reply to its notes addressed to the Foreign Office on the subject.

The Sardar added that when I spoke to him some time ago in support of the Soulet-ed-Dowleh he did not fail to point out to me that the Soulet was unworthy. I replied that His Majesty's Legation has never supported Soulet or any other person, but I, in accordance with my instructions, only urged upon the Persian Government in a private and friendly manner the necessity of avoiding any conflict between the Soulet and his brother, the Zaigham-ed-Dowleh, which might lead to serious complications in the south.

I may add that in the course of conversation the Grand Vizier referred to the force at the disposal of the Governor-General of Fars for the purpose of keeping order in his province. I could not help remarking that governors did not always use the force at their disposal in the right way, but sometimes for their personal interest, and that the Cabinet was, no doubt, a better judge as to whether that was the case with the present Governor-General of Fars.

With regard to the trouble in the neighbourhood of Kermanshah, the Cabinet informed me that Daoud Khan had already telegraphed his allegiance to the Persian Government, and that there was no ground for any anxiety as to the safety of foreigners in that town.

ABBAS KULI.

July 8, 1910.

[27738]

No. 180.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 127. Very Confidential.)

Sir,

Gulakeh, July 12, 1910.

IN view of the overtures which Messrs. Seligman are making through Mr. Moore for the negotiation of a loan to the Persian Government, I venture to offer a few remarks on the possibilities of such an operation.

As I endeavoured to show in my despatch No. 102 of the 15th June, the revenues of the Customs are barely sufficient to meet the charges imposed upon them, and there can therefore be no question of their serving as security for the service of other advances. The other revenues which might so serve are the profits of the mint and the passport fees. It is calculated that, for the current year, the mint may yield as much as 1,000,000 tomans, or, in round figures, 190,000*l.*, which, if it could be counted on to amount to the same figure every year, would offer ample security for any loan that Persia could reasonably require. But the essential element of stability is wanting; a small rise in the price of silver for instance or a rise of exchange would reduce the profits largely, and there is also the possibility that the export of krans might be checked, which would mean a restriction of the obligations of the mint and therefore also a diminution of the profits. The security that is offered by the mint is thus not by any means so good as it appears, and it must also be remembered that the Russian Government may be obliged to require a lien on it as a collateral security for the service of the Russian loan, &c.

As to the passport fees, it is estimated that under good administration they should yield at least 300,000 tomans, or something like 60,000*l.* The greater part of these fees are levied at the Persian consulates in the Caucasus, and, until a year ago, the speculation that was practised was such that the Government received little or nothing. Sand-ed-Dowleh however obtained from the Customs the services of M. D'Hoedt, who, in the face of every imaginable form of obstruction and even intimidation, succeeded in introducing a certain measure of reform. I have not been able to learn what the actual yield to the Treasury from this source now is, but if the collection of these fees passed from European back to Persian hands, the revenue therefrom would to all intents and purposes vanish, and would therefore be a very questionable security for a foreign loan. I should perhaps have recalled that the passport revenues are to be pledged as a collateral guarantee for the contemplated internal loan, but the prospects of the success of that operation are so slender that for my present purposes the fact may be neglected.

The revenues from the Post Office are nil, and those from the Telegraphs are already affected to the service of the Sterling Loan of 1903-4.

The Persian Government have, of course, an asset in their shares in the Anglo-Persian Oil Company; but as no dividend is expected to be paid until the oil passes through the pipe-line to Abadan Island, the date of which is uncertain, the Persian Government's interest in the company is not yet available as a guarantee for a loan.

It will, therefore, not be an easy matter for Persia to pledge any revenues which will provide first-rate security for a loan of the magnitude contemplated by Messrs. Seligman, and even if the sufficiency of those revenues could be proved, their value as a security must depend on the reliance which can be placed in the good faith of the Persian Government that they will be honestly administered and not diverted to other purposes. Past experience is not reassuring on this point; it is notorious, for instance, that the frequent arrears in the payments due to the English and Russian banks were not due to the insufficiency of the revenues of the Customs pledged to them, but to the diversion of considerable sums, and I regret to say that even now there are symptoms of the same disposition to evade obligations. For instance, as you are aware, under the recent arrangement for paying off the debts to the Imperial Bank of Persia, it was stipulated that the net receipts of the southern customs should be paid direct to the bank. Yet it was three weeks before any such order was given by the Minister of Finance to the Administrator of Customs. It is true that the monthly instalments due to the Imperial Bank of Persia have been paid, but since the 20th March up to the end of last month less than half the requisite amount was paid from the southern customs, the balance, or at least a great part of it, being taken from the northern customs which are pledged to Russia. The bank's interests have not suffered of course, and I only cite the fact to show that even in a service under European administration the customs of the country prevail.

Other factors that must affect the prospects of a loan are of course the general credit of the country, the efficiency of its administration, its general security, &c. When an attempt is made to float the contemplated internal loan we shall be in a position to judge what Persia's credit is in the eyes of Persians, and I fear that there will be little encouragement to be drawn from it.

The Minister of Finance has, I understand, prepared a statement of revenues and expenditure for last year which shows a deficit of 8,500,000 tomans, with a gross revenue of only 11,000,000 tomans—a state of affairs that shows that Persia is not far from bankruptcy, while the actual state of embarrassment of the Treasury may be gauged from the fact that the first three-quarters of the allowance to the ex-Shah were paid not from revenue but from the "National Fund" (see my despatch No. 122), that the fourth quarter is overdue, and that the Government cannot even meet the expenses necessary to enable the young Shah to spend the summer in the country. As for the administration, there is none in the European sense of the word; the Medjliss has shown signs of wishing to break down the old system as a preparatory to introducing something better, but nothing has yet been substituted, and the result is chaos.

In these circumstances, then, it would appear that the Russian Minister of Finance's estimate that Persia cannot borrow at less than 7 per cent. interest is not very far from the truth, and that therefore any scheme for paying off and converting the debt to the Imperial Bank of Persia and Banque d'Escompte, an operation requiring more than 2,000,000*l.*, is, for the present, practically out of the question. The Persian Government might, of course, make a small annual saving if the loan were for a long period, as, though the interest would not be reduced, the sinking fund payable yearly would be much smaller. On the other hand, the bondholders would have a very doubtful security unless the Persian Government would be willing to pledge the State jewels. Until the last day or two, however, the Persian Government, misled by the loose proposals of such persons as Mr. Osborne and Mr. Moore, who have, I am told, been talking of 5 or 5½ per cent. loans issued at par, have had no notion of the real state of affairs, and Mr. Preece informs me that he has received a proposal from the Vekil-ul-Roaya for an advance of 400,000*l.* at 6 per cent., issued at 95. This proposal is a distinct advance on the part of the Persian Government, but Mr. Preece thinks that his principals will look upon it as unacceptable, even though they have special reasons to give easy terms in consideration of obtaining a mining concession and a lien on the Persian Government's shares in the Anglo-Persian Oil Company. The syndicate apparently believe that they can get as security a lien on the telegraphs and on the surplus of the customs, and if Mr. Preece is right in thinking that with this belief they will decline Vekil-ul-Roaya's proposal, it stands to reason that when they learn that these guarantees are not available they will not entertain it for a moment. Hence I conclude that, in the opinion of eminent London financiers, Persia's credit is not good enough to float even a small advance at 6½ per cent. at par, and presumably they are unaware of the gigantic deficit of the last twelve months.

In these circumstances, therefore, I think that it may be taken for granted that no financial operation having for its object the paying off of the debts to the two banks, which carry interest at 7 per cent., is, as a business transaction, practicable for the present.

The Medjliss and the Minister of Finance are agreed that it is "impolitic" to publish the budget at present, which it is to be hoped is an indication that they realise the serious, if not desperate, state of the country's finances, and that they intend to bow to the inevitable, and accept the guidance of foreign advisers in the Ministry of Finance. As a matter of fact, I believe that the necessity of this step is generally recognised and even advocated in principle by all parties, but no one cares to admit the unpleasant truth by acting on it.

I have, &c.

CHARLES M. MARLING.

[27739]

No. 181.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 129.)

Sir,

Gulahek, July 15, 1910.

I HAVE the honour to report that at the end of June Mollah Kazim Khorassani, one of the leaders of the "Ulema" of Nejeff, addressed strong telegrams in identic terms to the Regent, the Cabinet, and the Assembly, urging the removal from the Medjliss of the deputy Taki Zadeh, on the ground that his activity was harmful to the country's true interests. I have not seen the actual telegrams, but I hear on very good authority that he is therein accused of being irreligious and a danger to his country. It was at first generally surmised that this action on the part of the "Ulema" of Nejeff had been dictated by the Sipahdar, to whom Taki Zadeh was most distasteful, and that the well-known Mujtehed, Seyyid Abdullah of Tehran, had had a hand in the transaction, but I am told on the same authority that this is not the case. I understand that the "Ulema" have received independent information from numerous sources respecting Taki Zadeh's line of conduct here, and that they conscientiously disapprove it. The result has been that Taki Zadeh has asked for, and has obtained without difficulty, three months' leave with practically unanimous approval of the Medjliss. Whether he will leave or not, however, remains to be seen.

Two other messages have reached Tehran from the Mujtehed of Nejeff; in one of them the Government is warned against its alleged tendency to actions irreconcilable with the Shari Law, and in the other a strong protest is made against vicious financial administration and the imposition of new taxation, such as the recent imposts on salt, opium, &c. If this is so, and I have every reason to believe in the correctness of my information, the assertions so often made that the "Ulema" of the sacred cities are playing into the hands of the reactionaries seem incorrect; the idea has probably arisen from the fact that two or three noted adherents of the ex-Shah are in residence at Nejeff.

Even the denunciation launched against Taki Zadeh appears to me to be quite consonant with constitutional views. Taki Zadeh's sincerity of purpose no one will deny; but his utility to the cause of freedom in Persia ceased with the abdication of Mohammed Ali, and he would probably now best serve his country by taking an almost passive part in public affairs.

I have, &c.

CHARLES M. MARLING.

[27741]

No. 182.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 131.)

Sir,

Gulahek, July 15, 1910.

IN continuation of my despatch No. 105 of the 17th June, I have the honour to transmit herewith the usual monthly summary of the principal events that have occurred in Persia during the past four weeks.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 182.

*Summary of Events in Persia for four weeks ending July 15, 1910.**Tehran.*

THE Cabinet was dissolved shortly after the resignation on the 7th July of the president of the Medjliss, and on the 14th July, when Sipahdar and Sardar Assad were elected to be deputies, Mustaufi-ul-Mamalek announced that he had been entrusted by the Regent with the formation of a new Cabinet.

On the 1st July Yeprem Khan (Davidian) and Sardar Bahadur arrived at Tehran from Azerbaijan, bringing with them a number of prisoners captured in the recent expedition they led in those parts.

The Medjliss.

On the 14th June the regulations and conditions for an internal loan of 1,000,000*l.* at 7 per cent. interest, repayable in twenty annual instalments, guaranteed by the Crown lands and passport revenues, were passed by the House.

At the sitting of the 16th June the renewal for four years of the contract of M. Mornard, the Belgian Director of Customs, at a salary of 50,000 *fr.* a year was approved. One of the deputies, however, seized the opportunity to make an attack on M. Mornard.

On the 18th June the House approved the grant of a pension of 350 tomans a-year to M. Bontemps, a former official in the Customs, who had to retire owing to the loss of his reason. Furthermore, 200 tomans were allotted to his two daughters till they come of age.

On the 21st June the report of the War Office and Budget Committees regarding the proposed purchase of 30,000 rifles of the latest pattern was read. It was decided to send a delegation of three persons to Europe to make enquiries on the subject.

On the 23rd June a committee was elected to inspect the accounts of the Ministry of Finance. It is understood, however, that the intention was to examine the accounts of the Customs Administration.

On the 25th June the Budget Committee's report dealing with the proposal of the Minister of the Interior to purchase 50,000 Mauser pistols was read. Taki Zade used this as an opportunity to make a long speech strongly criticising the Government's policy. He pointed out the danger of passing isolated proposals of this nature before the budget had been presented to the House.

The sitting of the 29th June was remarkable on account of the insubordination of one of the members to the president, who, in order to enforce his authority, left the House. The incident showed that the president's popularity was greatly on the wane. He had always attempted to shield the Cabinet, at any rate at public sittings, but on the 2nd July he was unable to hold back the deputies any longer. Sheikh Ismail Hashtroudi began by giving an account of his conversations with some of the Cabinet Ministers respecting the attitude of Russia. Sardar Assad, he declared, had said to him that "the Russians have openly declared that they only look for pretexts, and it is quite evident that it is impossible to satisfy them." He led his hearers to understand that the Medjliss was so displeased with the Cabinet Ministers that if they were not afraid of their intrigues they would immediately pass a vote of censure against them. This speech, the first of its kind to be delivered at a public sitting, was followed by others of a similar tendency.

At this sitting three months' leave of absence asked for by Taki Zade was granted to him. This move on Taki Zade's part was brought about by the action of the Ulema of Nejed, who telegraphed to the Regent, the Cabinet, and the Assembly urging the deputy's removal owing to his alleged revolutionary and irreligious tendencies. He has, however, not yet left, nor does he appear likely to go.

In consequence of an attempt to discredit Vekil-ul-Roaya, the deputy who was attached to the Ministry of Finance and successfully conducted the negotiations with the Imperial Bank for the mint contract and the consolidation of the floating debt, a committee was elected to examine his accounts relating to the forced subscriptions levied from the Zil-es-Sultan and others. At the sitting of the 2nd instant the committee read their report and Vekil-ul-Roaya subsequently made a speech.

On the 5th July further attacks were made on the Cabinet, and on the 7th the

president of the Medjliss, Mustashar-ed-Dowleh, tendered his resignation, which was accepted by the House without comment. Zoka-ul-Mulk was elected to replace him.

On the 11th July Sipahdar and Sardar Assad attended, and were elected deputies by a majority, in the place of members who have resigned, as provided in the Electoral Law. Mustaufi-ul-Mamalek announced that the Regent had entrusted him with the formation of a Cabinet, which he hoped soon to present to the House. Both Sipahdar and Sardar Assad addressed the House in suitable terms, reminding the members of their entry into Tehran a year ago, assuring them of their complete disinterestedness, and promising to support the nation in the task before them. These words were received with loud cheers.

The Press.

Not content with the publication of violent attacks against Russia, and incidentally against Great Britain, in the Persian language, one of the daily papers has started to publish one sheet in French. A weekly paper called the "*Indépendance Persane*" now also appears in French. A specimen of the former is attached.

G. P. CHURCHILL,
Oriental Secretary.

Tabreez.

The situation in Azerbaijan has remained normal. Two incidents at Tabreez in which Russian troops were concerned have already been reported.

Resht.

1. At the end of May a Russian named Subulof, employed on a Persian tea-garden near Sari, quarrelled with a fellow Persian employé and shot him dead. He then went to Sari, accompanied by his Armenian servant, and gave himself up to the police. Next day the body of the murdered man was brought to Sari, and Subulof and his servant were put into prison; but the inhabitants of Sari took them out and killed them, the police being unable to stop the infuriated mob. The Russian consul at Astrabad left for Sari to enquire into the matter, and the governor was subsequently dismissed.

2. The Government troops under Yeprem and Sardar Bahadur, who have been employed at Ardebil, passed through Resht on their way to Tehran in the middle of June. They had with them fifty-nine Shahsevan prisoners, including the leading chief, Amir-i-Ashayer.

3. His Majesty's vice-consul left Resht on leave to Europe on the 6th July. Mr. Hart, of the Imperial Bank of Persia, officiates for Mr. Rabino during his absence.

Meshed.

1. The state of the province continues tranquil, but the administration leaves much to be desired, owing partly to the multiplication of offices by the Persian Government, which renders it difficult for the various officials to know what duties they are expected to perform and where their respective responsibilities begin and end. The provincial assembly is a body devoid of either influence or resources, and its power in local politics may be said to be nil. The local Foreign Office agent recently informed Major O'Connor that the eastern frontier of Khorassan was in a rather disturbed state, the tribes being restless and robberies frequent. He attributed the unrest partly to Russian agency. Rukn-ed-Dowleh seems to have had but little influence, and has been dismissed from the post of Governor-General. Sahib Ikhtiar has been nominated his successor.

2. During June 5,568 cases were treated and sixty-four operations performed in the consulate hospital.

Seistan.

1. The Russian consul, Baron Teherkassoff, arrived at Seistan from Birjand on a visit on the 10th June.

2. The province is generally tranquil, though Afghan gun-runners have rendered the Seistan-Kuh-i-Malik Shah road unsafe. The revenue is being collected by the Customs and is coming in slowly. The village headmen complain bitterly to the Customs against the governor, and declare that unless something is done to improve

their condition they will be forced to seek protection in one of the consulates, or, failing that, to move into Afghan territory.

3. Captain McConaghey, His Majesty's consul in Seistan, arrived at Birjand from Meshed on the 4th June.

4. Two thousand one hundred and seventy-eight cases were treated and thirty-seven operations performed in the consulate hospital during May.

5. The telegraph line between Dehaneh and Kuh-i-Malik Siah was repeatedly interfered with by Afghan gun-runners during June. An arms caravan accompanied by 125 Afghans was at Baluch-Ab towards the end of June. This was believed to be the last of the season, but on the 11th July another caravan was reported to be near Bampur. Early in June some Afghan gun-runners plundered the British rest-house and the Persian Customs official's house at Girdichah. Their caravan consisted of 500 to 600 camels, most of whose loads were arms, and was accompanied by 150 armed men. Birjand merchants have taken steps to have their goods stopped at Kuh-i-Malik Siah until the road is safe. The Indo-European Telegraph Department employes are also at Kuh-i-Malik Siah. In spite of urgent representations, the Persian Government have done nothing to stop the gun-runners.

Ispahan.

1. Lieutenant Ranking, His Majesty's consul at Ahwaz, arrived at Ispahan on the 23rd June.

2. The condition of Ispahan town has continued normal. The local assembly meets regularly, but does not appear to transact much business. The roads to Ispahan were safe during the first half of June, but during the latter half the Shiraz, Ahwaz, and Sultanabad roads were reported unsafe, and several robberies occurred. On the Sultanabad road the robberies were the work of Lurs, who appear to have been raiding extensively. They plundered the posts and killed several persons. The robberies on the Shiraz and Ahwaz roads were committed within a radius of 30 miles of Ispahan, and appear all to have been the work of Kashgais, against whom the Bakhtiari Governor-General seemed disinclined to take any measures. According to latest reports Soulet-ed-Dowleh is at Kumisheh, to which place Aga Norullah has gone to meet him. Meanwhile, some 200 Kashgais have assembled in Ispahan itself. The Persian Government, however, state that there is no reason for disquietude on account of the movements of the Kashgais. Telegraphing on the 13th July, Mr. Grahame reported that caravans had come into Ispahan unmolested on the 12th and 13th, and that an emissary from Soulet-ed-Dowleh had also arrived. On the Tehran road the posts have been at times interfered with. This is attributed to the followers of Naib Hussein of Kashan. Naib Hussein apparently had to leave Kashan when reinforcements for the Government troops arrived. He was followed and attacked, and lost two killed and sixteen prisoners. On the 11th July his men robbed the post from Tehran near Khafr, killing three Bakhtiari passengers and taking off fourteen post horses.

Yezd.

The town has remained quiet. A good deal of opposition has been displayed against certain officials sent from Tehran to institute taxes on certain articles such as opium and firewood, owing to the fact that these articles are already taxed in Yezd by the governor. The latter appears to have supported, if he did not instigate, the opposition. The officials concerned have referred the matter to Tehran. At Nain the attempt to impose these taxes led to a crowd assembling in the British telegraph office and demanding redress from the Governor of Yezd. The question was referred to Tehran, and the tax on opium is now being collected without trouble. The condition of the roads has been normal, though on the Kerman road exaggerated accounts of a robbery near Rafsinjan made muleteers nervous as to the safety of the road. A specie caravan of the Imperial Bank of Persia reached Kerman in safety. The Parsees having failed to obtain a satisfactory reply to their appeal to Tehran in the case of the endowment house, mentioned in last summary, there has been a crop of cases in which Mahomedans question the correctness of contracts, leases, &c., of Parsees.

Kermanshah.

1. The general situation and the conflict between the governor and the Kalhur tribe form the subject of a separate despatch.

2. Mr. Knox took over charge of His Majesty's consulate from Mr. McDouall on the 14th June.

Hamadan.

The Russian troops mentioned in last summary left for Kazvin towards the end of May. Their number is now given as three officers and thirty-three men.

Kerman.

The country generally is disturbed, and no road can be said with confidence to be safe, as the local authorities are unable to maintain order. His Majesty's consul thinks that things are not likely to improve now that Kawam-ul-Mulk has left the province. The arrival of Sardar-i-Jang may have a good effect, but it is not likely to restore order all at once throughout this large province. On the 10th July a party of 500 Fars robbers had surrounded Sirjan, where fighting was in progress. They had also plundered a post, burning the letters. The people of Rafsinjan were much alarmed.

Shiraz.

The general situation in Fars shows no improvement. The Governor-General appears to be incapable, and, having used the Kawamis and Zaigham-ed-Dowleh to weaken Soulet-ed-Dowleh's power, he has now alienated the former and will probably alienate the latter. Meanwhile he has to some extent restored Soulet-ed-Dowleh's power, and the only trade routes on which any traffic has taken place to Ispahan and Bushire are those which Soulet-ed-Dowleh insists on being used and for which he provides guards. He is reported to be at Kumisheh, which is not in Fars but in the province of Ispahan. There seems little hope of any improvement in the situation until a capable governor is appointed.

PERSIAN GULF.

Bushire.

1. During the last week of May a consignment of arms, said to be 500 rifles, was reported to have been landed at Dilwar, a Tangistani port. It was suggested that the contraband had been brought over from Bahrein, where it was received from the Hamburg-America Line steamer "Cheruskia." Haji Mohammed Hassan, Messrs. Wönekhaus's Bushire agent, had apparently some connection with this consignment, as he was seen showing three new rifles as samples for sale.

2. On the 1st April Dr. Listemann notified His Majesty's consul-general that he had resumed charge of the German vice-consulate from Herr Wassmuss. On the 27th April a notification reached His Majesty's consul-general from Herr Krumpeter, (of Wönekhaus and Co.) that he had made over charge of the Norwegian vice-consulate to Dr. Listemann.

3. The Governor-General, Darya Begi, was in the middle of June still at Bunder Abbas. The local assembly at Bushire had almost ceased to exist, only two members of the six elected being still at Bushire. The question of a fresh election for the assembly had been referred to Tehran. Considerable uncertainty as to the safety of the roads to Shiraz and as to the road to be used seems to have existed during May and June. In the latter part of May Assistant Surgeon Kelly was able to travel safely to Shiraz, Soulet-ed-Dowleh arranging for his safe passage. On the 5th June it was reported at Bushire that Soulet-ed-Dowleh had telegraphed to one of the Tangistani chiefs that henceforth caravans would use the Firuzabad road, and that he would be held responsible for the safety of caravans passing through the country controlled by him. The chief in question, Zayer Khudder, was reported to have offered the new Governor-General of Fars 800*l.* in the hope that caravans would be allowed to use the road passing through his jurisdiction, and that he would be given control of the port of Dilwar, the principal resort of smugglers.

Mohammerah.

1. Mr. Ritchie, pipe line contractor of the oil company, arrived on the 27th April. He reported that work on the oil-fields was practically at a standstill, as the native employes had struck owing to the depredations and blackmail of the guards. In his opinion the return of an armed Indian guard can alone permanently improve matters.

2. The sheikh's mistrust as to the intentions of the Bakhtiari has not been dispelled by the exchange of portfolios between Sardar Assad and Sipahdar, and is not likely to cease until Sardar Assad leaves for Europe. Too much importance is not, however, to be attached to these intertribal differences. According to Hadj Rais the acting ilkhani and ilbeggi pay no attention to Sardar Assad's commands. The question of the Kharran lands, nears Shuster, claimed by the Bakhtiari Khans, has been decided by the Minister of the Interior, who rejected the Bakhtiari claim. His Majesty's consul considers this very satisfactory.

3. On the 31st May four criminals connected with the Minawi outrage who were wanted by the Turks were arrested by Sheikh Khazul and handed over with a polite note. On the 30th May the sheikh sent the vali a polite note congratulating him on his return, and received a note couched in equally cordial language. The sheikh also sent a temperately worded reply to the vali's letter accusing him of various illegal acts in regard to Turkish interests and Turkish rule.

4. At the beginning of June disturbances still continued at Shuster, and some fifteen persons had been killed in the fighting. The sheikh, being requested by the Central Government to restore order, replied that he would do so if given a free hand. The principal leaders on either side had arrived at Mohammerah to see the sheikh. The latest information states that the sheikh had succeeded in getting order restored. In His Majesty's consul's opinion the Bakhtiari have deliberately fomented the trouble. Except for riots at Shuster and Dizful, order is admirably maintained in the province. This is due to the sheikh and not to the Governor, who, having no force, is quite incapable of governing Arabistan. He maintains good relations with the sheikh.

Ahwaz.

1. M. H. S. Gratama left Ahwaz for Europe on the 21st April, after handing over charge of the Dutch consulate to his compatriot M. P. ter Meulen, Russian consular agent, who returned from Europe on the 17th.

2. A Russian traveller, describing himself variously as a German or Russian subject, arrived by caravan on the 2nd April. He stated that he was going from Baku to Bombay, and had been robbed of all his property on the Bakhtiari road. The latter statement proved on enquiry to be entirely false.

3. On the 8th February Assadulla Mirza, the Russian agent, arrived from Kermanshah at Burujird, where he has taken up his residence.

4. His Majesty's consul left Ahwaz for Ispahan on the 22nd May by the Dinarun Valley route.

C. B. STOKES, Major,
Military Attaché.

SUPPLEMENT.

Sultanabad.

On the 26th June Lurs from Balagerd robbed the post near Ragerd, killing five passengers and wounding seven, including two children; also three horses. The neighbourhood was said to be infested with Lurs.

Kermanshah.

The post which left Kermanshah on the 16th June for Tehran was robbed near Douletabad, and that from Tehran to Kermanshah, due on the 27th, was robbed at Sorkhabeh, between Sultanabad and Kum. In both cases the robbers are supposed to have been Lurs.

Hamadan.

On the 13th July the bazaars were closed as a protest against taxes, and disturbances were feared. The cashier of the Russian Bank, who is a Russian, had been maltreated.

[27742]

No. 183.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 132. Confidential.)

Sir,

Gulahek, July 15, 1910.

THE Cabinet under Sipahdar and Sardar Assad appears at length to have resigned definitely after an existence of twelve months. For the last three months its situation has been extremely precarious, so much so that for the major part of that time the country has been in doubt whether Ministers were in office or not. The Cabinet was never in any sense homogeneous and its cohesion has been constantly threatened by the rivalry and personal interests of its members, but the main cause of its dissolution has been the progressively hostile attitude of the small but clamorous and plausible group of ultra-nationalists who consider that they represent the best spirit of young Persia. Their professed intentions for the regeneration of Persia are excellent, but in their desire to oust the Ministers, whom they deemed incompetent, they have entirely lost sight of the country's interests, and their activity has resulted in paralysing the administration. In foreign affairs their action has been particularly pernicious, for it is owing indirectly to them that public opinion in Tehran has been so wrought upon over the Russian incidents at Tabreez and Zenjan as to make the settlement of those incidents, which in themselves were of quite trivial import, so extremely difficult. Such a pitch of unreasoning hatred of Russia has thus been reached that Ministers have been afraid to confess that they have thought of compromise or even to admit facts that told in favour of Russia. But in spite of the importance which this party has been able to assume by posing as the champions of the country against the aggressive designs of Russia, I doubt whether Medjliss or even the general public of Tehran, and still less Persia at large, has the smallest confidence that its members are capable of directing the affairs of the country and it is this distrust which has, more than anything else, kept the Sipahdar Cabinet so long in office. How conscious the Nationalists are of their own weakness is shown by the fact that a mere telegram from the Mujtehed Mollah Kazim Khorassani, of Nejez, was nearly sufficient to drive Taki Zadeh, the most uncompromising member of the party, in flight from the country. Still, weak as it really is, the Nationalists form the only party in the Medjliss, and as discontent with the failure of the Government to effect anything towards improving the condition of the country is rife in that Assembly, all the malcontents appear to rally to the banner of the Nationalists, so that the Government were confronted to all appearance with a formidable opposition. Even so I believe that Sipahdar could have maintained his position had he felt confident of the loyalty of Sardar Assad, but Sardar Assad has been coquetting with the Nationalists in the belief that if with his support they came into power he would be master of the situation. At the present moment, however, as there is no talk of his holding office in the new Cabinet, it seems as if Sardar Assad had fallen between two stools. Sipahdar, moreover, probably felt that the moment was ripe for his resignation. He must be aware that in the present chaos, both financial and administrative, of the country, there is no salvation except with the help of Great Britain and Russia, with whom he has consistently advocated good relations. This reasonable policy has, however, been rendered impossible by the Nationalist party and "yellow" press, and he, therefore, has decided to leave to those who have baulked him the task of rescuing Persia from the straits to which their short-sighted obstruction has brought her. He is probably, however, confident that his eclipse is but temporary, and I have no doubt that he will use all the means at his disposal to render it so.

As to the immediate cause of the fall of the Cabinet, accounts as usual are contradictory, though they so far agree that the point at issue was the engagement of foreign officials. I understand that the Nationalists and their friends assert that Ministers refused to give effect to the decision of Medjliss that foreign advisers should be engaged for the Ministry of Finance, but considering that the decision of the Medjliss was taken on the motion of Vosouk-ed-Dowleh, the Minister of Finance, and a member of the Nationalist party, this story seems in the last degree improbable. The other account, which I have from a very well-informed and impartial Persian source, is to the effect that the Medjliss passed a resolution authorising the Government to engage foreigners as advisers and instructors in several departments, and recommended that for the gendarmerie Italian officers should be selected; that the Ministers pointed out that Russia would object to Italians as being subjects of a Great Power, and recommended that a beginning should be made in the Department of Finance only. The Medjliss,

however, insisted, their object apparently being to parry the Russian insistence that only Russian officers shall be employed in the north, by coupling the two questions. My informant added that the Medjliss also insisted that the number of the financial functionaries should be six, not seven as proposed by M. Bizot, the seventh post, that of treasurer, to which M. Bizot attached special importance, being reserved for Sadik Hazret. Sadik Hazret's qualifications for a post of so much trust appear to be that he was Mr. Naus's factotum, a fact which should scarcely recommend him to the Nationalist party of which he is nevertheless a prominent member. His reputation is mediocre.

What was the final quarrel is after all of small importance. The Nationalists have succeeded in ousting Sipahdar, and Sardar Assad and Mustashar-ed-Dowleh, ex-President of the Chamber and colleague of Taki Zadeh, have thrown in their lot with the fallen Premier, and their secession from the Nationalists, if they persist in it, as seems certain at present, will render the formation of the new Cabinet difficult.

The new President of the Council of Ministers is Mustaufi-ul-Mamalek. The little experience he has of public affairs was gained as Minister of War in Saad-ed-Dowleh's Cabinet last year. He is not credited with any conspicuous ability, and though he is said to be financially embarrassed, his integrity has never been impugned. He is of a good family, and it is an open secret that he owes his selection for the post of Premier to the prestige attaching to his name rather than to his own past services or capacity. The complexion of the new Cabinet will be markedly Nationalist, a term which I regret to say implies in foreign affairs a policy of mistrust of and distant relations with the two Powers. It is probable, however, that the sense of responsibility will temper their absurd suspicions, and the necessity of coming into direct contact with the two legations (instead of gaining second-hand impressions through Ministers often constrained by circumstances to colour their statements to suit their audience) will certainly open their eyes to real facts.

The general opinion is that the Cabinet will have a very brief existence, and certainly the various combinations which have been talked of do not inspire confidence in its stability.

I have, &c.

CHARLES M. MARLING.

[27812]

No. 184.

Sir G. Lowther to Sir Edward Grey.—(Received August 2.)

(No. 508.)

Sir,

Therapia, July 25, 1910.

ON receipt of your telegram No. 174 of the 14th instant, I communicated with my French and Russian colleagues with regard to a representation to be made to the Turkish Government protesting against the persecution of Christians by Turkish Kurds in the Urumia district.

Neither my French colleague nor I had any definite data on the subject, and we therefore agreed that the Russian Ambassador should draw up a "notice," to be presented to the Porte, reciting specific cases in which Christians had been maltreated, and this his Excellency undertook to present to-day to the Porte, and we likewise undertook to support the same verbally with the Minister for Foreign Affairs.

A copy of this "notice" is herewith enclosed.

When I urged the matter on Rifaat Pasha's attention, he replied that the cases would be immediately inquired into, but he was not certain from memory whether the places named were in the military occupation of Turkish troops. If they were, steps would be taken to put a stop to the persecutions; if they were not, it was for the Persians to furnish the remedy.

I am sending a copy of this despatch to Tehran.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 184.

Note communicated to Sublime Porte.

AINSI qu'il appert des renseignements que le Ministère Impérial des Affaires Etrangères tient de ses agents, la population chrétienne dans les parties du district d'Ourmiah, où se trouvent actuellement, à titre provisoire, des autorités ottomanes, est molestée, persécutée, et pillée par des Kurdes musulmans sunnites, dont certains ont adressé aux autorités ottomanes des "dekhalets," ou prières d'être reconnus comme sujets ottomans. Ces musulmans sunnites sont incités à présenter des "dekhalets" et à sévir contre les chrétiens par lesdites autorités dans le but d'amener la population indigène à solliciter la sujétion ottomane. Dès lors la position des chrétiens de toutes les confessions dans les localités susmentionnées devient de jour en jour plus intolérable.

La liste suivante contient des données précises sur ce qui se passe :—

1. Enlèvement de deux jeunes filles chrétiennes, dont l'une, comme la Sublime Porte ne l'ignore pas, n'a pas été restituée jusqu'à présent.
2. Le village Senguer, habité par des chrétiens, a été attaqué et assiégé par des Kurdes sous les ordres de Mir Mehmed, Temir Bek, et Kourdo Bek, protégés ("dekhaletdjis") tures.
3. Le village Takalouva, habité par des chrétiens, a été pillé par des Kurdes, et un chrétien syrien y a été blessé.
4. Une église chrétienne a été pillée à Marseguis.
5. Chaque nuit on entend une fusillade autour de la ville d'Ourmiah, et chaque jour des actes individuels d'extorsion et de persécution sont commis par des Kurdes contre des chrétiens indigènes.

En vue de ce qui précède, il est d'urgence que les mesures les plus efficaces soient prises par le Gouvernement ottoman pour mettre fin immédiatement aux instigations des Kurdes de la part des autorités turques, qui devraient, au contraire, user de toute leur influence dont elles disposent temporairement afin de faire cesser les déprédations et les actes de violence envers les chrétiens. Vu que la présence sur les lieux du sujet ottoman Timour Agha, chef kurde, présente un danger permanent pour les chrétiens, il serait nécessaire que ledit sujet ottoman en soit sans retard éloigné.

Constantinople, le 12 (25) juillet, 1910.

[27694]

No. 185.

Sir A. Nicolson to Sir Edward Grey.—(Received August 2.)

(No. 326. Confidential.)

Sir,

St. Petersburg, July 26, 1910.

M. ISVOLSKY a few days ago mentioned to me that M. Khomiakoff, late president of the Duma, and some substantial Russian financial houses were preparing a project for connecting the Indian and Russian railway systems by way of Persia. He had asked M. Khomiakoff to furnish him with a memorandum on the subject, and when he received it he would be happy to allow me to peruse it. I told M. Isvolsky at the time that I did not think that British, and certainly not Anglo-Indian, public opinion was as yet disposed to entertain such a project. It was quite likely that the time would arrive when transcontinental communication would have to be established, but the moment had not yet come to bring such schemes before the British public.

M. Isvolsky observed that in Russia also there was opposition to such schemes, but chiefly in Russian commercial circles. At the same time a line traversing Persia and connecting the Russian and Indian railway systems would effectually compete with, if not kill, the Bagdad Railway. He thought that the question was one which would have to be considered seriously within the near future.

Subsequently M. Isvolsky lent me his copy of the memorandum which he had received from M. Khomiakoff. It was a lengthy printed document in Russian, and entered into a mass of detail, in regard to which, M. Isvolsky informed me, the experts of the Foreign Ministry considered that several of the data were erroneous. I beg leave to enclose a summary made by Mr. O'Beirne of the outline of the Russian project.

[1738]

2 R

The promoters of the scheme seem to be singularly optimistic as to the profitable character of the undertaking.

M. Isvolsky has in no wise presented the matter in any official form, and our conversation has been quite desultory and unofficial. There is therefore no necessity to take any official cognisance of the matter, and I merely report it as showing that the question is occupying the attention of certain prominent men in this country.

I have, &c.

A. NICOLSON.

Enclosure in No. 185.

Abstract of Confidential Memorandum regarding proposal of Russian Syndicate for a Trans-Persian Railway.

THE scheme is to create a "world railway," connecting Europe with India and certain countries of the Far East by an uninterrupted line of rail. The nearest approach hitherto made to realising such a scheme was in 1889, when the provisional consent of the Persian Government was obtained to the construction of a railway from the North of Persia to the Gulf of Chahbar. That plan was abandoned owing to the political conditions which obtained at the time. Since then the conditions have radically changed, owing (1) to the conclusion of the Anglo-Russian agreement of 1907; (2) to the commencement of the Bagdad Railway by Germany; and (3) to the termination in March of the current year of the Russo-Persian railway agreement.

A few years ago a proposal such as the present would have aroused suspicions in England of aggressive designs on the part of Russia. Now the principal source of anxiety to England is the Bagdad Railway, and an English statesman would certainly prefer the present scheme to the completion of the Bagdad Railway under any conditions which are likely to be agreed upon between England and Germany. No doubt there still exists among a certain group of Englishmen some mistrust as to Russia's political aims in Central Asia. This mistrust must be combated by the adoption in general of a straightforward policy calculated to consolidate the ties already existing between the two countries, and more particularly by adopting a line of action in regard to the proposed railway which may dispel the last remaining suspicions in the minds of Englishmen. Thus the initiative ought to be taken not by the Russian Government, but by a group such as would offer full guarantees in English eyes both from the political and the business point of view. It is important to make such a selection of the persons and private institutions to be connected with the proposed enterprise as will inspire confidence in England, and give rise to no suspicions as to hidden political aims. As regards the direction of the proposed line Englishmen would naturally consider dangerous from the strategic point of view any lines uniting those points of Russian and Anglo-Indian territory which lie closest to one another. We would therefore hardly expect England to consent to the continuation of our line from Kushk, which, moreover, would meet with obstacles from Afghanistan. The same may in part be said as to the construction of a line from Merv to Meshed, which for England would also represent a certain strategic danger. The case is completely different in regard to the construction of a line through the whole of Persia; for instance, from Baku, or some station close to it. Such a line, which would run for a distance of over 2,000 versts (1,200 miles) through neutral Persian territory, could not be regarded as a serious threat to India. It may be added that under the 1907 agreement Russia has the right to construct within her own sphere a whole series of lines, which would be not less dangerous for India from a military point of view than the proposed "world railway," but which on the other hand would offer England absolutely no advantages.

It would be premature to attempt to define the direction of the line very exactly. For Russia the important point is the selection of the place of departure from Russian territory. Englishmen are most interested in the point of union with the Indian railway system. In order to avoid possible difficulties on their side, it is desirable to consult as far as possible the wishes of those Englishmen who are willing to co-operate in the enterprise, and also the point of view of the British Government. It would also be extremely undesirable to divide the line into British and Russian sections respectively. Such a course could only give rise to mutual mistrust, besides probably creating difficulties on the part of Persia. The best course would be to construct the whole line jointly, admitting to a participation in the enterprise only one foreign

element—the French—unless it may prove feasible to admit the Persians themselves to some share in the enterprise in connection with their indebtedness to Russia and England. The admission of France to participation would probably tend to remove the objections likely to be raised by the Persian Government.

It may be objected by some Russians that the project will be injurious to Russian trade in North Persia because it will facilitate foreign competition. To this it is replied that the time is past when foreign goods other than Russian were virtually excluded from the North Persian market. England is at liberty under the 1907 agreement to establish railway and other communications in her sphere of influence, and both England and other nations can open up communications in the neutral zone. The Khanikin branch of the Bagdad Railway and the projected line from Trebizond to the Persian frontier both threaten Russia's present position in the Persian market. Russia's best course is to make up her mind that communications with Northern Persia will be established, and to establish means of communication which will be favourable to her own trade.

In discussing the general course which the proposed railway should follow, the memorandum bases its reasoning on the distance between Calais (as the point on the continent nearest to London) and Ahmedabad, to the north of Bombay. Of five geographically possible directions between Calais and Ahmedabad, four would pass through Russia, and one only through Constantinople according to the Bagdad Railway scheme. The four directions passing through Russia are (1) the transcasian direction; (2) the transaral direction; (3) *viâ* Kertch; (4) *viâ* Rostov-Baku, which is the present proposal. The two first-named directions may be set aside on the ground of the objections which they would arouse in England, as above explained. The Kertch direction may also be set aside because of the expense and delay which would be involved by the construction of a bridge across the Straits of Kertch. There remain the Bagdad line *viâ* Constantinople and the proposed line *viâ* Rostov-Baku. The distance between Calais and Ahmedabad *viâ* the Bagdad line (taking into consideration the actual length of the existing lines which would be used) is 8,017 versts (4,809 miles*); the distance between Calais and Ahmedabad *viâ* Rostov-Baku is 7,864 versts (4,716 miles). There are two possible variations to the Rostov-Baku direction: (1) the construction of a line from Batoum to Kars; (2) the extension of the existing line to Vladikavkaz as far as Tiflis, whence it would connect with Tabreez. The former line is dismissed on account of its proximity to the Turkish frontier, the latter on account of the delay and expense which would be involved by the construction of the line from Vladikavkaz across the mountains to Tiflis. The proposed Rostov-Baku route would offer the advantage that Russian goods arriving from the interior *viâ* the Volga could be conveyed as far as Baku entirely by water. The best direction for the railway to follow through Persia would appear to be Baku-Tehran-Kerman, the Tehran-Kerman direction presenting less technical difficulties than any other line running from Tehran towards the south. From Kerman the line would be continued to a point on the Anglo-Indian system. The selection of this point would be left to England, but England would probably choose Nushki. There should be a branch of the main line running from Kerman to Chahbar or another point on the sea. Passing to technical details, the memorandum estimates that, with an average speed of 45 versts (27 miles) per hour, including stoppages, the journey to Bombay would be made in seven days eighteen hours. Taking the price of a passenger's ticket through Persia on the basis of the charges now made by the Bagdad Railway, a first-class ticket to Bombay would cost about 400 roubles (40*l.*). The cost of construction of the line through Persian territory is estimated at 85,000 roubles per verst, or about 14,000*l.* per mile. The distance from the Persian frontier to Nushki being estimated at 2,150 versts (1,290 miles), the total cost of construction would be about 18,000,000*l.* The capital required is put at over 20,000,000*l.*, and it is estimated that it would yield a profit of about 15 per cent.

[27695]

No. 186.

Sir A. Nicolson to Sir Edward Grey.—(Received August 2.)

(No. 327.)

Sir,

St. Petersburg, July 27, 1910.

I LEFT with M. Isvolsky to-day a confidential memorandum giving your views as to the attitude which might be adopted by the British and Russian representatives at

* This line would run from the head of the Persian Gulf to Kotri, and thence to Ahmedabad.

Tehran in regard to the arrest and punishment of the murderers of the mujtehed, the expulsion of foreign fedais, and the institution of a senate, and the dissolution of the present Medjliss. M. Isvolsky remarked that the opinion expressed by you seemed to be quite sound and reasonable. I observed that the condition of Persia did not seem to be improving, and I enquired whether he had received any communication from M. Poklewsky as to the composition of the new Persian Cabinet. His Excellency replied in the negative, but that he judged from what had appeared in the public telegrams that the selection had not been a particularly happy one.

M. Isvolsky was not inclined to talk of Persian affairs proper, but appeared to be more preoccupied with news which he had received as to the action of Turkish troops near Khoi and Salmas, the connection between the two places having been interrupted by them. They had also advanced to Maku near the Russian frontier. The Turkish Government, he remarked, were continually giving assurances that no forward movements would be made, and these assurances were as continually violated. He intended to speak seriously to the Turkish Ambassador on the subject.

I have, &c.

A. NICOLSON.

[28039]

No. 187.

Messrs. Boulton Bros. and Co. to Sir Edward Grey.—(Received August 2.)

Dear Sir,

39, Old Broad Street, London, July 29, 1910.

WE have to acknowledge with thanks your communication of the 28th instant, informing us that His Majesty's Government would not now oppose an advance to the Persian Government by a British group of sound standing, provided that the advance is not secured on any source of revenue already pledged to the British or Russian Governments, to the Imperial Bank of Persia, or the Russian Banque d'Escompte et de Prêt.

We should be glad if you could inform us as to whether the customs are already hypothecated to any of these loans.

We note that His Majesty's Government would accept no responsibility in connection with a private loan. In the event of the Persian Government defaulting on a private loan, are we correct in assuming that His Majesty's Government would take no steps to support the British creditors in such a situation?

We remain, &c.

BOULTON BROS. AND Co.

[28058]

No. 188.

Mr. Marling to Sir Edward Grey.—(Received August 2.)

(No. 311.)

(Telegraphic.) P.

Culahek, August 2, 1910.

SITUATION in Tehran.

A relative of Taghi Zadet, who himself has left Tehran, was murdered by fedais yesterday evening. Outrage is looked upon as reply to Seyyid Abdullah's murder. Earlier in the day two other murders were also committed.

As a result Government has resolved to disarm all fedais and other terrorists. Advice as to the necessary dispositions to be taken will be given them by colonel of Cossack brigade, and forcible measures will probably be taken with the co-operation of the brigade to-morrow.

Fedais will probably offer some resistance, but I do not apprehend disorders in the town.

[28188]

No. 189.

Mr. Marling to Sir Edward Grey.—(Received August 3.)

(No. 312.)

(Telegraphic.) R.

Tehran, August 3, 1910.

MY telegram No. 310 of the 1st August.

Kermanshah situation normal.

[28200]

No. 190.

Mr. Marling to Sir Edward Grey.—(Received August 3.)

(No. 313.)

(Telegraphic.) R.

Tehran, August 3, 1910.

MY telegram No. 311 of the 2nd August.

Government has decided to defer disarming of fedais for two days. House of Minister of Foreign Affairs was entered last night by fedais, but Minister was absent.

[28198]

No. 191.

Sir A. Nicolson to Sir Edward Grey.—(Received August 3.)

(No. 217.)

(Telegraphic.) P.

St. Petersburg, August 3, 1910.

PERSIA.

In conversation with me to-day M. Isvolsky, of his own accord, brought up the question of the presence in Persia of Russian troops, and repeated that he was anxious to withdraw the Kazvin force. He added, however, that it was difficult for him to do so until the Persian Government had removed the Governors of Urumia and Tabreez, and had thus given evidence of their good intentions. The Persian Prime Minister, moreover, had made a declaration in the Medjliss to the effect that the Persian Government hoped soon to secure the withdrawal of the Russian forces with the assistance of friendly Governments. This was not a wise statement for the Prime Minister to make, and the Russian Minister at Tehran had been instructed to take an opportunity of stating that his Government were unable to admit that, in a matter which concerned Russia alone, any pressure should be exercised by third parties.

The present state of affairs in Tehran may possibly make more difficult or delay the withdrawal of the Russian force.

[27357]

No. 192.

*Mr. Norman to Mr. C. W. Wallace.**

(Private and Confidential.)

Dear Mr. Wallace,

Foreign Office, August 3, 1910.

WITH reference to your letter of the 27th July and our conversation of the next day, relative to the proposed loan to the Persian Government, I am authorised to confirm in writing what I then said.

Mr. Preece is at liberty to proceed with the negotiations, but we are not in a position to agree to their actual conclusion till the condition imposed by the Russian Government is fulfilled, i.e., till the conversion of the Persian Government's debt to the Russian Bank becomes an accomplished fact.

As to the supplementary security mentioned in your letter as B and C, it is understood, as you say, that only the surplus of these revenues would be available after prior claims in respect of the advances to which they are already pledged had been met. As you know, with regard to B at any rate such a surplus does not at present exist.

As to the scheme which you told me had been proposed to couple the conversion of the debt to the Russian Bank above referred to with the flotation of a Russian loan in London, it is not clear to us here exactly how this can be done, but, so far as we can see at present, there can be no reason why we should object to such a transaction.

Believe, &c.

H. NORMAN.

[1738]

* Also to the Anglo-Persian Oil Company, *mutatis mutandis*.

[28206]

No. 193.

Mr. O'Beirne to Sir Edicard Grey.—(Received August 4.)

(No. 308 A.)

Sir,

St. Petersburg, July 11, 1910.

I HAVE the honour to forward to you herewith copy of an *aide-mémoire* which, in accordance with the instructions contained in your telegram No. 355 of the 2nd instant, I have addressed to M. Isvolsky, stating the views of His Majesty's Government with regard to the conditions of the proposed advance to the Persian Government.

I have, &c.

HUGH O'BEIRNE.

Enclosure in No. 193.

Aide-mémoire communicated to M. Isvolsky by Mr. O'Beirne.

EN se référant à l'aide-mémoire du Ministère Impérial des Affaires Étrangères en date du 3 (16) juin, l'Ambassade de la Grande-Bretagne a l'honneur de faire savoir au Ministère Impérial que le Gouvernement britannique consent à ce que, si le Gouvernement persan s'adresse aux deux Gouvernements en vue d'une avance, cette avance soit garantie sur les revenus des douanes tout entiers, du sud ainsi que du nord de la Perse; à condition toutefois qu'aucuns des revenus du sud ne soient appliqués au service de la nouvelle avance qu'après que le service des emprunts anglo-indiens aussi que des dettes de la Banque Impériale aura été entièrement rempli, et que des comptes séparés soient dressés pour ce qui concerne les paiements d'intérêts et d'amortisation sur les anciens emprunts et sur la nouvelle avance respectivement.

Le Gouvernement de Sa Majesté est tout prêt à appuyer le Gouvernement Impérial dans l'opposition que celui-ci fait à l'entrée en Perse en franchise de droits de douane de l'argent brut, et il partage l'avis du Gouvernement Impérial qu'il importe de laisser à la discrétion des deux représentants le choix du moment opportun pour informer le Gouvernement persan que les deux Puissances consentent à avancer la somme en question.

Mr. Marling a exprimé l'opinion que, vu le taux d'intérêt peu élevé qui peut être proposé au Gouvernement persan par des syndicats privés désireux de conclure des emprunts, il serait nécessaire de réduire le montant des intérêts sur l'avance à 5 pour cent; et le Gouvernement de Sa Majesté serait disposé à se ranger à cet avis.

Saint-Petersbourg, le 20 juin (3 juillet), 1910.

[28207]

No. 194.

Sir A. Nicolson to Sir Edicard Grey.—(Received August 4.)

(No. 329.)

Sir,

St. Petersburg, July 31, 1910.

WITH reference to my telegram No. 214 of to-day, I have the honour to forward to you herewith copy of an *aide-mémoire* which I have received from the Imperial Ministry of Foreign Affairs on the subject of the joint advance by the two Powers to the Persian Government, and stating that the Russian Government are unable to agree to a lower rate of interest than 7 per cent.

I have, &c.

(For the Ambassador),

HUGH O'BEIRNE.

Enclosure in No. 194.

Aide-mémoire communicated to Sir A. Nicolson by M. Isvolsky.

EN se référant à l'aide-mémoire de l'Ambassade britannique en date du 20 juin année courante, le Gouvernement Impérial note avec satisfaction le consentement du Cabinet de Londres à ce que, en cas de nécessité, l'excédent éventuel des revenus des

douanes du sud de la Perse soit affecté au service de la part russe de l'avance qu'il est question de faire au Gouvernement persan, à condition, bien entendu, "qu'aucuns des revenus du sud ne soient appliqués audit service qu'après que le service des emprunts anglo-indiens aussi que des dettes de la Banque Impériale aura été entièrement rempli, et que des comptes séparés soient dressés pour ce qui concerne les paiements d'intérêts et d'amortisation sur les anciens emprunts et sur la nouvelle avance respectivement."

Quant à la question du montant des intérêts à prélever sur l'avance en question, le Gouvernement Impérial ne saurait partager l'avis de Mr. Marling, qui croit nécessaire de réduire le chiffre de ces intérêts à 5 pour cent.

Dans son aide-mémoire du 30 janvier, année courante, le Gouvernement Impérial a déjà eu l'occasion d'exposer en détail les motifs qui l'ont amené à fixer le taux des intérêts à 7 pour cent, et à son avis ce chiffre ne saurait être diminué.

Saint-Petersbourg, le 16 (29) juillet, 1910.

[27645]

No. 195.

Foreign Office to Messrs. Lawrance, Webster, Messer, and Nicholls.

(Confidential.)

Gentlemen,

Foreign Office, August 4, 1910.

WITH reference to your letter of the 20th ultimo and previous correspondence relative to the proposed conclusion by clients of yours of a contract for the purchase of growing timber on the southern shore of the Caspian Sea, I am directed by Secretary Sir Edward Grey to state, for your confidential information, that he has received a telegram from His Majesty's chargé d'affaires at Tehran reporting that, according to the statement of the Russian Minister, the lands on which this timber grows is the property of Russian subjects who are minors, and for whom the vendor, Beylikji, is trustee.

Baron Luzsenszky appears merely to be a commission agent who is accustomed to act for a British firm called Fox.

I am, &c.

LOUIS MALLET.

[28326]

No. 196.

India Office to Foreign Office.—(Received August 5.)

Sir,

India Office, August 4, 1910

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 26th July regarding the insecurity of the roads in Southern Persia.

Viscount Morley concurs with Sir E. Grey as to the necessity of ensuring the prompt restoration of order on the one hand and of avoiding active intervention on the other; and having regard to the extreme improbability that the Persian Government will succeed in obtaining either money or arms in the near future, he is unable to suggest any alternative to the proposal now made by Sir E. Grey.

He observes that the estimated cost of the present scheme of road guards is 40,000*l.*, and from the letter from your Department to the Board of Trade, dated the 24th February last, it appears that the surtax on the customs of the southern ports is likely to yield considerably less than 16,000*l.* in the present year. The deficit to be made up from the revenues of Fars will therefore be large.

From the memorandum of the Russian Government, dated the 30th December, 1909, it may perhaps be inferred that they will place no difficulties in the way of the scheme.

In conclusion, I am to say that Lord Morley is willing to ask the Government of India to lend officers of the Indian army, should their services be required, on the understanding that no financial responsibility in connection with the scheme is accepted by the Secretary of State in Council, save for a moiety of the cost of the officers it is now proposed should be sent in the event of such cost proving irrecoverable from the Persian Government.

I am, &c.

R. RITCHIE.

[28363]

No. 197.

Manchester Chamber of Commerce to Sir Edward Grey.—(Received August 5.)

Sir,

Manchester, August 4, 1910.

ASKING your reference to the letter addressed to you on the 3rd August of last year, I am desired by the president to forward to you the enclosed letter received from firms members of this Chamber.

The president asks me to state that he thinks it his duty to forward this document as received, but he does not necessarily adopt, on behalf of the Chamber, the statements as to the effect of the action of His Majesty's Government. As the document is, however, first-hand evidence of the views of the Persia houses in this city, it is right that you should see it.

I am, &c.

W. SPEAKMAN, *Secretary.*

Enclosure in No. 197.

Joint Letter received by the Manchester Chamber of Commerce.

Sir,

Manchester, July 28, 1910.

THE undersigned bankers, merchants, shippers, and manufacturers engaged in the Persian trade would be greatly obliged by your drawing the attention of the Secretary of State for Foreign Affairs to the very long-continued disturbances in Persia.

We bear in mind the petition which you kindly forwarded to Sir E. Grey in July last, but the general position has not improved since that time, and whereas it was a fact that in July last the Persian Government and the Persian nation generally were well disposed towards His Majesty's Government, this is now no longer the case.

It has become unmistakably evident from the publication of the blue-book on affairs in Persia, dated April 1910, that His Majesty's Government is acting throughout in harmony and complete agreement with the Russian Government, and therefore a share of the odium attaching to the continued Russian military occupation of Northern Persia and the frequent armed intervention of Russia in Persia's internal affairs attaches, in the minds of Persians, to His Majesty's Government. This fact is evident from the tone of the native papers published in Tehran.

The policy pursued by the Russian Government, with the support of His Majesty's Government, has had the effect of discouraging and weakening the Persian Government with some of the powerful tribal chiefs, and raised hopes of a possible success of the reactionary party, thus prolonging the state of disorder in the country and destroying confidence abroad to the detriment of trade.

For the last twelve months the caravan routes have remained in the same state as reported in the petition to Sir E. Grey dated the 30th July, 1909, and bearing in mind the fact that Russia has large bodies of troops stationed in Northern Persia and exercises direct military intervention in Persia's internal affairs, and the Persian Government is still unable to restore order on the trade routes, we earnestly hope that His Majesty's Government will no longer delay to take the necessary steps for the punishment and suppression of the most active of the robber bands, whose activity is confined to districts outside Russian influence.

ELLINGER AND Co.

[And 19 others.]

[28390]

No. 198.

Mr. Marling to Sir Edward Grey.—(Received August 5.)

(No. 314.)

(Telegraphic.) R.

Tehran, August 5, 1910.

MY immediately preceding telegram.

Government have issued a proclamation for the surrender of arms possessed by unauthorised persons within forty-eight hours. It is doubtful how far it will be obeyed, and the Government is not in a position to enforce it, as they cannot count upon the Bakhtiari, and the Cossack brigade have scarcely 400 effectives in Tehran.

Fedais are divided into two factions: firstly, those identified with the murderers of Seyyid Abdul; and, secondly, those who murdered Takizade's nephew, and who pose as championing the popular demand for the punishment of Seyyid's assassins. These latter are headed by Sattar and Bagher Khans.

At a meeting held yesterday they decided not to disarm until certain demands were complied with, most important being dissolution of the Cabinet.

[28183]

No. 199.

Sir Edward Grey to Mr. Marling.

(No. 231.)

(Telegraphic.) P.

Foreign Office, August 6, 1910.

RECOGNITION of valiahd. Your telegram No. 298 of the 24th ultimo.

Count Benckendorff has communicated further Russian proposal, which they suggest we should also adopt, that a purely formal acknowledgment should be made of Regent's circular letter, and Persian Government at the same time be informed verbally, in the same terms as on former occasions, that valiahd is recognised as heir-apparent. They do not, however, think it necessary that this statement should be made simultaneously by the representatives of the two Powers.

I told his Excellency that we could not send an immediate acknowledgment of the circular, since we had not yet received it, but that in other respects he was prepared to follow the Russian suggestions.

[28521]

No. 200.

Mr. Marling to Sir Edward Grey.—(Received August 7.)

(No. 315.)

(Telegraphic.) R.

Tehran, August 7, 1910.

MY telegram No. 314 of 5th August.

Sattar Khan, with a considerable number of fedais and mujtehdas, has been established in Atabeg's garden, close to legation, and declines to surrender arms until arrears of payment alleged to be due to them are paid. Government forces, with a few small guns, surround them, but although period allowed for surrender of arms expired this morning, Government seem to be afraid to act.

Commander of Cossack brigade has been asked to send men but not guns, but he cannot furnish altogether more than 320.

Town quiet. Troops very well behaved.

[28522]

No. 201.

Mr. Marling to Sir Edward Grey.—(Received August 7.)

(No. 316.)

(Telegraphic.) *En clair.*

Tehran, August 7, 1910.

DESULTORY firing began about 2.20, and continues. Military attaché is in charge of legation.

[28520]

No. 202.

Sir A. Nicolson to Sir Edward Grey.—(Received August 7.)

(No. 221.)

(Telegraphic.) P.

St. Petersburg, August 7, 1910.

THE following is the substance of the reply which I have received from the Russian Minister for Foreign Affairs in regard to the proposed advance to Persia referred to in your telegram of the 28th July, No. 410:—

(R.) "Members of the present Persian Cabinet have always manifested unfriendly sentiments towards Russia by encouraging anti-Russian movement in Persia, and by

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constantly paralysing efforts of the former Government to establish normal relations with the Russian Government. It is consequently necessary, before assisting present Cabinet, to wait till it expresses a desire for such assistance, and thereby in a certain measure affords a guarantee of its intention to observe henceforward more correct attitude towards Russia.

"According to information possessed by the Ministry of Foreign Affairs, the Persian Government are in no wise ignorant that the two Governments are ready to advance necessary funds. A fresh declaration to that effect does not therefore appear necessary, especially as, in view of the political and economical crisis in Persia and of recent warning given to Persian Government in regard to securities for a foreign loan, it is most doubtful if a third Power would consent to lend money to Persia without the support of Russia and England.

"Russian Government are of opinion that, in order to induce Persian Government to revive question of an advance, it would suffice if the two representatives were to draw the attention of the Persian Government as frequently as possible to the absence of security on roads and throughout whole country. Reiterated representations in the above sense would probably impel Persian Government to renew their request for pecuniary assistance from the two Powers."

[28758]

No. 203.

Consul-General Cox to Sir Edward Grey.—(Received August 8.)

(No. 4.)
Sir,

Bushire, July 16, 1910.

IN continuation of my despatch No. 3, dated the 20th June, 1910, I have the honour to submit a copy, with translation, of the Sheikh of Mohammerah's third farman—in this case for the Fallahiyeh district—together with a copy of my covering letter (No. 50, dated the 16th July, 1910), to His Majesty's chargé d'affaires, Tehran.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident
in the Persian Gulf, and His Britannic
Majesty's Consul-General for Fars, &c.

Enclosure 1 in No. 203.

Consul-General Cox to Mr. Marling.

(No. 50. Confidential.)
Sir,

Bushire, July 16, 1910.

IN continuation of my despatch No. 42, dated the 26th June, 1910, I have the honour to forward a further communication received from His Majesty's acting consul Mohammerah, giving cover to vernacular copies, with translations of a third farman and accompaniment possessed by the Sheikh of Mohammerah, by which the Fallahiyeh district was bestowed upon him. It is couched in the same terms as the two firmans already submitted with my despatch above quoted.

I am posting copies simultaneously to the Government of India and to His Majesty's Foreign Office, London.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident
in the Persian Gulf, and His Britannic
Majesty's Consul-General for Fars, &c.

Enclosure 2 in No. 203.

Acting Consul Wilson to Consul-General Cox

(No. 685. Confidential.)

Sir,

Mohammerah, July 5, 1910.

WITH reference to the marginally noted correspondence,* I have the honour to forward a copy of a third and last farman of Muzaffar-ud-Din Shah, granting the district of Fallahiyeh to the Sheikh of Mohammerah.

2. As we were not directly interested in this farman he did not produce it along with the others, but mentioned that he had it in his possession; I asked to see it, in order to take a copy, and he readily assented.

3. Yesterday Haji Rais brought round the three original farmans and the covering letters to the Salar-ud-Daulah, with three copies of each, and asked me to certify to the latter as true copies, as the Karguzar had already done. This I did.

I have, &c.

A. T. WILSON, Lieutenant, I.A.

Enclosure 3 in No. 203.

Atabeg Azam to Salar-ud-Daulah

Salar-ud-Daulah,

IN view of the excellence, good service, politeness and good works of Sheikh Khaz'al Khan Muizz-us-Saltanah Sardar Arfa', we have left and granted to him as perpetual property in this lucky year of Pars II, Fallahiyeh, which from ancient times till now has been the place of the tribes of the Ch'ab and part of his jurisdiction, in accordance with a separate farman which has been signed by the Shah.

The governors of Arabistan should not demand a single additional cent. above the usual annual revenue from him.

You, my noble son, and all future governors of Arabistan, should recognise Fallahiyeh as his personal property, in accordance with the separate farman and this august autograph, and give him every support and assistance in the execution of his orders so that he may remain at ease and be engaged always with great independence and zeal in performing State affairs.

(L.S.)

(Seal of Muzaffar-ud-Din Shah.)

Dated month of Shawwal, 1320 (January 1903).

(L.S.)

(Royal Seal.)

(Seal on reverse.)

(L.S.)

ATABEG AZAM.

Enclosure 4 in No. 203.

Farman, dated Shawwal Pars II (January 1903).

SINCE Fallahiyeh from ancient times to the present has been the place of the tribes of the Ch'ab, and is part of the jurisdiction of his Excellency Sheikh Khaz'al Khan Muizz-us-Saltanah Sardar Arfa', and since he has always delighted the royal and benign mind by his good service and diligence in causing the aforesaid place to flourish. Therefore, in order to bestow kingly favours in this auspicious year of Pars II, we have left and granted to him as perpetual property the place of Fallahiyeh, in order that each year he should pay the usual annual revenue to the Highest Government, and the present and future governors of Arabistan have no right to demand a single cent, and the Sardar Arfa' and the tribes of the Ch'ab also shall not have the right to sell or transfer the said properties to foreigners.

The Sardar Arfa' is permitted and empowered to exercise in those lands the possessory rights of ownership of every kind. The Government have no right to take

* Consul-General Cox, No. 187 (Telegraphic), June 23; ditto, No. 42, June 26, 1910.

possession of or interfere with those properties, and the Sardar Arfa' should with all zeal and hopefulness occupy himself in causing the places to flourish, and the prosperity of the Ch'ab, and more than ever give pleasure as before to the kind and royal presence by reason of his good services.

It is hereby ordered that the respected Mustaufis (Government secretaries) should register and record a copy of this august farman and consider it their duty to do so.

(L.S.)

(Seal of Muzaffar-ud-Din Shah).

Dated Shawwal Pars II, 1322 (January 1903).

(Seal on the reverse.)

(L.S.) ATABEG AZAM.
(L.S.) MUSHIR-UD-DAULAH.
(L.S.) WAZIR-UD-DAFTAR.

[28812] No. 204.

Mr. Marling to Sir Edward Grey.—(Received August 8.)

(No. 317.)

(Telegraphic.) *En clair.*

Tehran, August 8, 1910.

MY telegram No. 316 of 7th August.

Fedais surrendered last night, Sattar Khan being wounded. Town perfectly quiet.

[28829] No. 205.

Mr. Marling to Sir Edward Grey.—(Received August 8.)

(No. 318.)

(Telegraphic.) P.

Gulabek, August 8, 1910.

DISARMING of fedais.

I have the honour to report that yesterday morning the German Minister, in company with the Italian chargé d'affaires and a secretary of the Turkish Embassy, Vassyk Bey, and with his own staff, proceeded to the Atabeg's garden in Tehran, where some 300 fedais under Sattar Khan had taken up their position, and acting, as he explained to the Italian chargé d'affaires, in the cause of humanity, attempted to persuade the terrorists not to offer any resistance, but to give up their arms. He was informed that they would only do so on condition of receiving payment for these arms, of obtaining the arrears of pay that were due to them, and of the granting of an amnesty, for which they required a guarantee from the Government. Count Quadt and his companions then went to the palace and laid the demands of the fedais before the Minister for Foreign Affairs and the Minister of War, who replied that the fedais must comply unconditionally with the proclamation for disarmament. Whereupon German Minister telephoned a vague message to Turkish Embassy conveying the impression to the Ambassador that his co-operation would be gladly accepted. Hassib Bey proceeded to Tehran, but confined himself to speaking of the safety of Ottoman subjects to the Minister for Foreign Affairs. Between 1 and 2 o'clock Count Quadt left town stating that all was satisfactorily arranged to British military attaché, whom he met on the road. About 2-20 firing commenced. Later in the afternoon German Minister again returned to Tehran (seemingly in consequence of a false rumour that the German Legation had been invaded by bastis), and, without addressing Turkish Ambassador, sent for Vassyk Bey to the Ottoman Embassy. Hassib Bey, however, refused to allow him to leave.

Italian chargé d'affaires, who has only recently arrived in Persia, acted, I feel sure, in all innocence, and allowed himself to be led into an indiscretion by Count Quadt, with whom he was acquainted formerly, and with whom he is on very friendly terms.

Vassyk Bey acted, without consulting his Ambassador, on Count Quadt's invitation.

Action of the German Minister on this occasion is looked upon here as a deliberate attempt at interference in the internal affairs of Persia. From information that I have received it appears that it was not acceptable to, and certainly not invited by, the Persian Government.

M. Poklewsky and I have refrained from any form of interference. On the 3rd

instant, however, when consulted by Minister for Foreign Affairs, we stated that the two Governments would view with approval disarmament of dangerous elements. Russian Minister at the same time gave his Excellency an assurance that pretext for bringing the Kazvin troops to the capital would not be found in any military action taken for the above purpose, so long as the measures did not degenerate into disorders, whereby the lives of foreign subjects might be endangered.

(Secret.)

I understood from Italian chargé d'affaires' statement that Count Quadt acted deliberately in this affair.

[28326]

No. 206.

Sir Edward Grey to Sir A. Nicolson.

(No. 219.)

Sir,

Foreign Office, August 8, 1910.

IN my telegram No. 410 of the 28th ultimo, I requested your Excellency to propose to the Russian Government that the representatives of the two Powers at Tehran should be furnished with instructions to make to the Persian Government a strong joint representation as to the state of insecurity prevailing on the trade routes in Persia, and I now transmit to you herewith copy of a despatch from His Majesty's chargé d'affaires in that country, giving an account of the situation which renders such a step imperative,* and suggesting that the Persian Government should be informed that, if order on these roads is not restored by the end of September, His Majesty's Government will themselves undertake to perform that duty.

I further transmit copy of a letter to the India Office,† which will make clear to your Excellency the reasons for which, while entirely concurring in Mr. Marling's view as to the necessity of a representation, I am reluctant to commit His Majesty's Government to a policy of intervention on the scale proposed, but prefer, as suggested by Sir G. Barclay, to insist, in the first instance, on the formation of a body of road-guards, in the hope that this measure may prove sufficient to attain the object in view.

Finally, I enclose copy of the reply of the India Office,‡ showing that that department concur in this latter proposal, and are willing, on certain financial conditions, to lend to the Persian Government officers of the Indian army should their services be required for the organisation of this force.

I have to request your Excellency to explain to the Russian Government the nature of the scheme, and to propose to them that, when making the representation suggested in my telegram above referred to, the two representatives should insist on its acceptance by the Persian Government.

I am, &c.

E. GREY.

[28039]

No. 207.

Foreign Office to Messrs. Boulton Bros. and Co.

Gentlemen,

Foreign Office, August 8, 1910.

I AM directed by the Secretary of State for Foreign Affairs to acknowledge the receipt of your letter of the 29th ultimo on the subject of a proposed loan to the Persian Government.

In reply to your question as to whether the Persian customs are already hypothecated as security for any of the loans which you named, I am to state that these revenues are already so pledged, and that they do not at present produce any surplus which could be assigned to the service of a further advance.

With regard to the last paragraph of your letter, I am to inform you that in the event contemplated His Majesty's Government would afford British creditors diplomatic support such as is afforded to all British subjects who have well-founded claims against the Persian Government.

I am, &c.

LOUIS MALLET.

* No. 169.

† No. 142.

‡ No. 196.

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[28954]

No. 208.

Mr. Wallace to Mr. Norman.—(Received August 9.)

(Confidential.)

Dear Mr. Norman,

Swan Hotel, Mansfield, August 7, 1910.

YOUR letter of the 3rd instant has been forwarded on to me, and I thank you for it. My understanding of our conversation on the 28th July is quite in accord with your confirmatory letter, and on the 28th I telegraphed to the same effect to Mr. Preece, particularly instructing him not to commit us in any way for reasons which you gave me, and which I gave him briefly. I instructed him to continue negotiations, to inform us when and if the Persian Government were prepared to accept our terms, but not to clinch anything without prior reference to me by telegram.

In reply, he telegraphed that he had again seen one of the Persian Ministers, who had said that he would reply in about a fortnight's time. That being so, I left London for a fortnight's tour with my daughter.

Hence the informality of this reply, which I beg you to excuse.

When I receive any substantial news from Persia on the subject now in question I will at once communicate with the Foreign Office.

With reference to the last paragraph of your letter, no scheme has yet been put before me even in outline. I was asked by one of the members of my group whether I would consider a scheme if put before me. After seeing you on the 28th I sent him word to say that I was quite prepared to consider it if he would formulate it, and I have heard nothing more from him yet.

If I hear more from him I will let you know. If you hear no more on the subject you can assume that his idea has borne no fruit.

I am, &c.

C. W. WALLACE.

[28970]

No. 209.

Extracts from a Memorandum marked "With privilege of Manuscript. Most Confidential," drawn up by the Russian Consortium, on the question of the Persian Railway.—(Communicated by Professor Pares, August 9, 1910.)

THESE extracts were made by me at the request and with the help of M. N. A. Homyakoff, a member of the Consortium, and are accompanied by his comments.* He has sent a similar summary to M. Stolypin.

In the construction of a railway in Persia may be seen not an object complete in itself, but simply a means of realising a task incomparably greater, namely, the construction of a world route to unite by one continuous line of rails Europe to India and other countries in the Far East. . . . It may be pointed out that on the strategic side the railway will secure not only Russia's position in Turkey, but also our position in western Trans-Caucasia, and will allow us to curtail the large sums which we might have to spend on the defence of our Turkish frontier.¹ . . . The nearest approach to a positive settlement of the question was made in 1889, when the preliminary agreement of the Persian Government was obtained to the construction of a railway from Northern Persia to the Bay of Chakhar.² In this plan took part M. S. M. Tretyakoff, Baron P. L. Korff, M. S. E. Palashkovsky, and M. N. A. Homyakoff. . . . Now there are three new factors: (a) the Anglo-Russian Agreement of 1907, (b) the proposed construction by Germany of the Bagdad Railway, and specially certain conditions of this

* All the comments are M. Homyakoff's except where otherwise stated.

¹ The Russian part of the projected world route is all in existence with the exception of the short line from Baku to the Persian frontier. It is required only that the line should be shortened at some points, and that more of it should be doubled. Reaching the western frontier of Russia at Alexandrovo, it runs, in almost a direct line, from London to Bombay, through Warsaw, Kieff, Poltava, and Rostoff-on-Don to Baku. The German plans include a branch from near Bagdad to Trebizond, close to the Russo-Turkish frontier. The Russian plan, if executed first, would make it unlikely that either the Trebizond branch or the projected German line to Tehran would get financial support. Russian expenses for the further strengthening of the line Kurs-Baku, would thus be obviated. The construction of the Persian part of the railway is estimated by competent Russian experts to require between three and four years. The number of bridges and tunnels is stated to be insignificant.

² England, though then hostile to Russia, would then have had to extend its Indian railway system towards the same point.

scheme; and (c) the fact that in March expires the Russo-Persian Railway Agreement. . . . The hostility between England and Germany is an obstacle to the construction of a railway to India by any other road. . . . We must find a way of action which can scatter the last doubts of the English. The initiative must certainly not come from the Government, but from a group which in the eyes of Englishmen offered every guarantee both on the business side and on the political. . . . As to direction, one could hardly expect the English to agree to the continuation of our line from Kishik, which would also be opposed by Afghanistan. The same partly applies to the construction of a line from Merv to Meshed, which would be strategically rather dangerous for the English. It is quite a different matter if a line is carried right through Persia, for instance, from Baku or from the nearest station in the Baku section. . . . To dispose of any possible difficulties on the English side, we should try to take as much account as possible of the wishes of those Englishmen who will take the most active and hearty interest in the matter in conjunction with the point of view of the English Government. Not less important is the principle of the method chosen for financing the enterprise. One could hardly hope for success if one started by dividing the line geographically into a Russian section in the Russian sphere of influence, and an English section in the English sphere.³ . . . Such a method will only lead to mutual distrust, to suspicions that the line may be used with martial aims. In general we must flatly oppose the idea that an undertaking of world-wide significance—for instance, the Suez Canal—should be considered as a weapon of local politics. We may assume that such a division would also reflect unfavourably on the financial side of the scheme, which, instead of being a great economic undertaking not requiring any special sacrifice from the Russian Imperial Treasury, would come near the category of expensive political designs. The right thing would be to construct the (whole) line together, admitting one other element, the French, which would be most useful both for balancing the others and from the purely financial and technical points of view. Perhaps it would be possible to give a certain share to the Persians themselves in connection with their indebtedness to Russia and to England.⁴ . . . It is very probable that the French participators in the scheme would agree to leave their share in the profits of the construction of the line to the Russian factories which live on French capital.⁵

The same might be said of Russian fuel, in which English capital is so strongly interested. . . . The making of a direct line through Persia will help to better our relations with Persia, giving to our international position in that country a stability which could not be destroyed by any new political combinations. Persia will become convinced that Russia is not returning to her former policy of hindering the construction of railways.

Northern Persia has long been a useful market for our export, which was guarded from competition by two measures: (a) prohibition of the transit of foreign goods through Batoum, which cost us more than 150,000*l.* yearly; and (b) the preventing of the railway construction (in Persia). . . . The making of the Anglo-Russian agreement has made it quite possible to create railway and steamboat communication, both for the English in their sphere of influence, and perhaps for others in the neutral zone. . . . From Constantinople our Persian market is threatened simultaneously by the railway from Trebizond to the Persian frontier, and by a series of branch-lines from the Bagdad Railway, of which the chief is from Bagdad to Khanikin, and on to Kermanshah and Tehran. So, to think that we shall always be able to keep our Northern Persian market under a glass case of preventions and abstention from railway construction is to refuse to take account of events. . . . So the right thing is, independently of the world-wide importance of the line, ourselves to go right into Persia, and not to wait passively till foreign goods, coming in from three sides, destroy our monopoly. Apart from that, only by developing the prosperity of Persia can one increase the capacity of the Persian market, which is at present very limited. Another class of interests which can be affected by the project is the English steamship companies, especially the P. and O., which carries the Indian mail. . . . At present the post takes twelve-and-a-half days from London (via Brindisi) to Bombay. If a land route cut this down to six or seven days, then of course the steamship companies

³ The sections would then have to be capitalised separately and administered separately. Changes from one system to another would delay transit.

⁴ M. Kokovtsov, it appears, approves of this idea. If the Persian debts are to be converted, England and Russia will both be concerned in the matter, and the occasion might be taken to interest Persian capital to some small extent in the railway scheme.

⁵ Opinion of M. Pechkovsky and of M. Bunge.

would have to sacrifice their interests to an evident Imperial advantage (for England).

It is on this ground (reasons of State) that the Russian Consortium insists on the quickest possible realisation of its project, which is favoured by the change in the political conditions, and by all the circumstances of the present, and, lastly, by the clear proofs that *by the force of things, if we delay, the plan will be executed without us, outside our frontiers, and even in spite of us*. . . . In a few years—from four to seven—the Bagdad Railway Company, that is the German Bank, will bring its line to Bagdad.⁷ It is self-evident that after this will arise the question of extending this line (the Khanikin branch) into Persia—if only the question is not settled earlier, and if the German Bank does not decide to proceed with this branch simultaneously with the Bagdad Railway (main-line), which would of course considerably shorten the period within which the present project can be realised.

How to realise the project. . . . First, we must here notice the important services rendered to the Empire by the late engineer of State Railways, S. E. Palashkovsky, who died in 1910. . . . He stood for a line from Baku to Tehran, and on to the Bay of Chakhbar, on the Indian Ocean.

. . . . Later projects, connected with the investigations of twelve years ago, conducted by the engineer Sakhánsky, entertained, besides the above, two other directions: (a) Tehran to Bushire, and (b) Tehran to Bunder Abbas. . . . But now the question is not of making a line which can attract transit and later be developed, but a line for which its importance for transit is its very first consideration.⁸ There are five possible directions:—

	As crow flies.	Using existing Lines.
	Versts.	Versts.
The Transcaspián	6,447.4	7,955
The Trans-Aral	6,668.1	9,116
Constantinople-Bagdad	6,439.2	8,017
Through Kerch	6,321.8	8,126
Through Rostoff	6,410.5	7,864

The Kerch line would require a bridge over the Straits of Kerch. This line could be shortened by 200 versts by making a railway from Batoum to Kars. But strategically it would hardly be right to carry a world route of transit along the Black Sea coast and later close to the Turkish frontier. . . . The construction of the new sections would considerably delay the execution of the plan. . . . This also applies to a possible variant: Rostoff, Vladikavkaz, Tiflis, Tabreez. . . . A line would have to be made over a pass with a tunnel. It would be very expensive and difficult, especially for two rails, and it would take not less than ten years. . . . The line Rostoff-Baku, besides being the shortest, has many other advantages. It is strategically defended; in Russia it only lacks a short line to the Persian frontier. It passes along particularly well-served lines. Besides that, it is of extreme advantage that our trade, as far as Baku or Enzeli, can use a waterway. *All the freights of the Volga will thus get a considerable advantage over foreign goods over a great part of Persia.*⁹ The further distances are:—

	Versts.
Baku to Tehran	700
Tehran to Bunder Abbas	1,200
Tehran to Bay of Chakhbar	1,600
Tehran to Karrachee	2,000

. . . . The nearest point of the British-Indian system is Nushki, from whence the English are carrying a railroad to Seistan. It would therefore be best of all to take our line from Tehran to Kirman, according to the plan of S. E. Palashkovsky and to subsequent investigations, and thence to Nushki. This is technically the easiest land from northern Persia to southern, and, according to the calculations of the engineer Sakhánsky, it is the cheapest. . . .

⁴ Underlined in the original, but printed in italics.

⁷ The Bagdad line has reached Koniak.

⁸ Everything else is secondary or auxiliary.

⁹ Underlined in the original, but printed in italics.

Passenger Traffic.—"The chief factor . . ." wrote Palashkovsky, "is in the closeness of the tie between the two respective populations."

. . . . Since 1888 the trade relations of Europe with Asia and Australia have considerably increased. . . . The population of Australia has in the last twenty years almost doubled. . . . In 1887 about 50,000 passengers went through the Suez Canal in the year. . . . Last year the figure was 116,000. . . . We should scarcely exaggerate in reckoning on 60,000 first-class passengers at the time when the railway is opened. The number of second-class passengers might be estimated at one-third of this number, that is, at 20,000.

Time of Transit.—At 42 versts (26 miles) an hour, allowing for the journey from London to Calais, the 8,250 versts (5,156 miles) from London to Bombay would take 8 days, 6 hours; at 45 versts (28 miles) an hour, 7 days, 18 hours; at 50 versts (31 miles) an hour, exactly 7 days. At 45 versts an hour, as compared with the maximum speed of transit by Calais, Brindisi, and P. and O., $4\frac{1}{2}$ days will be saved. . . . If at the same speed as engaged by the Bagdad Railway, the passage would take less than 6 days.

Cost.—To the Russian frontier the first-class passenger from London will pay about 73 roubles. To the Persian frontier . . . he will pay 74 roubles. On the Indian railways the price would not be more than 35 roubles. . . . This would give a total (exclusive of the Persian line) of 182 roubles. The remaining items would be . . . through Persia, 150½ roubles; extra payment for the through communication and for express service in Persia and in India, 60 roubles. The whole cost of a first-class ticket from London to Bombay would be 392½ roubles (411. 6s.). Of every 400 roubles 217½ would go to the profit of the Persian Railway. The total cost is found to be less than even the half of the present return ticket from London to Bombay, which for passengers direct through Brindisi is from 810 to 900 roubles. We must yet take into account the passengers' food, . . . but there would be no difficulty in including this sum on the ticket, which would then cost 425 roubles, including a special passport or certificate for the passage through Russia. . . . The second class ticket may be calculated at 234 roubles (241. 12s.), that is 28 roubles less than half the return ticket from London to Bombay via Marseilles, and 116 roubles cheaper than the single ticket. . . . As to third class passengers no calculation can be made. . . . Germany sent her relief force to Kiaw Chow by land through Siberia. Perhaps with time, land communication might be utilised for India too.

Trade, Russia and Persia.—The present exchange by the Russian official statistics is from 15.9 to 17.7 million poods yearly, with a value of 48,000,000 to 56,000,000 roubles. Of this, more than 80 per cent. goes by the Caspian. . . . The making of this line will certainly . . . start a trade in Russian products in India and other countries of the Far East, India and Persia. The trade between these countries is now about 10,000,000 roubles yearly; the whole trade of Persia with the British Empire is 35,000,000 roubles yearly (about 7,000,000 poods). . . . The cost of transport in Persia is at present very high, and is a heavy burden on trade. . . . The goods conveyed by caravan roads run considerable risks. Large dues are taken by the internal customs. A carrying trade of 3,000,000 poods (less than half of the whole) will be no exaggerated estimate for the first years of working. Products of warm countries: "*No protectionist policy*" wrote S. E. Palashkovsky "*can enable us to produce in Russia what only grows in the tropics. Thus our population, which needs products of hot climate, will never be able to get them in any other way than by international trade.*"¹⁰ . . . A great part of the goods which we receive from India, the Dutch East Indies, other countries at Far Asia, and Australia, come through foreign middlemen to whom we pay every year millions of roubles as commission. Even one-third of its tea import Russia receives from Great Britain and Germany. . . . One of the effects is that the balance of trade on our Asiatic frontier is always against us, and to very large amounts, for instance, in 1907 more than 20,000,000 roubles. Nearly all our cotton, kerosene, and tea (except what comes through Kyakhta) comes to us by sea; . . . this trade depends on the ships receiving full freights. In articles of small weight and high value at present we cannot develop any trade by sea with several countries of the Far East. . . . The import to Russia of groceries and other products of hot climates, excluding what comes from Persia, amounts to 40,000,000 poods yearly. . . . With the introduction of railways through Persia, the quantity of such imports from Persia and India will increase at the expense of the imports from America and elsewhere. In the last few years the trade

¹⁰ Underlined in the original, but printed in italics.

between Russia and British India amounted to 25,000,000 roubles. The direct import of Indian goods to Russia has risen from 3,600,000 roubles in 1904-5 to 6,500,000 roubles in 1908-9. These are the English figures; according to our official statistics, the import of goods from East India averages more than 15,000,000 roubles yearly. . . . The railway should carry 10,000,000 poods very soon. . . . Petroleum, it is suggested, should pass through a special conductor. . . . In the last five years the Indian gold and silver import has varied from 160,000,000 to 300,000,000 roubles yearly and the export from 40,000,000 to 100,000,000. . . . From 1904 to 1909, the average exchange between Europe and India has been 200,000,000. . . . Since 1888 the amount has increased fourfold, and the railway can count on such a trade of 200,000,000 roubles. There has been the same enormous increase in the mails. . . . It must be remembered that the projected railway will not only accelerate postal communication, but will make it possible to send the mails daily instead of weekly. . . . Bearing in mind the considerable registration of the post and of precious metals, it would hardly be wrong to count on 2,000,000 roubles clear profit, apart from the use which will be made of the land-route for sending gold to or from Australia.

On all the above data we may base the following table of the possible profits of the line :—

INCOME.				Roubles.
From 80,000 first-class passengers at 217 r. 50 c.	..	..	..	12,050,000
" 20,000 second-class " 121 r. 75 c.	..	..	..	2,235,000
For carriage of mails and precious metals	..	..	..	2,000,000
" " 10,000,000 poods of through freight.	..	..	..	2,860,000
" " " Persian freights.	..	..	..	2,000,000
Local passengers	..	..	..	2,580,000
Total ..	..	..	..	23,725,000
EXPENDITURE.				Roubles.
Carriage of 80,000 passengers over Persian line	..	..	..	2,150,000
" through freights	..	..	..	1,230,000
" Persian freights (averaging 1,000 versts)	..	..	..	666,000
Local passenger traffic	..	..	..	1,177,125
Expenses of working which do not depend on amount of traffic	..	..	..	6,450,000
Interest on ordinary capital of 220,000,000 roubles	..	..	..	8,800,000
Total ..	..	..	..	20,473,125

The clear profit thus works out at more than 3,000,000 roubles a-year, which on the subscribed capital of 20,000,000 roubles would give 15 per cent.¹¹

The whole question (of the road) becomes clearer if we remember that up to 1907, when the Anglo-Russian agreement was made, we could really stop the construction of railways in Persia; whereas from that date Persia is officially divided into three zones, in one of which, the English, we can do nothing to stop railway enterprise, whilst in another, the neutral zone, we can only guard our strategic interests within certain limits. . . . There is no doubt that the English will continue their line to Seistan and Kirman. . . . Thus there can be no talk of the harm to our trade from the execution of the present project; but we can say the contrary: this project is the only way of helping it, the only strong weapon in the struggle for our commercial interests. . . .

Cost of Making the Railway.

	Roubles.
2,150 versts, at 85,000 roubles per verst	182,750,000
Interest on subscribed capital during construction (4 per cent. on 20,000,000 roubles for four years)	3,200,000
Interest on ordinary stock during construction (reckoning on a gradual issue of stock during four years)	21,000,000
Total ..	206,950,000

¹¹ The subscribed capital should come from the Consortium in each country as finally constituted and from shares taken by the respective Governments. It should be noted that all the above estimates are only put forward as conjectural, and, in all comparisons with similar enterprises, the figures given are deliberately fixed at a disadvantage to the present scheme. Before any responsible estimate is made, authorities in Paris and Belgium, as less primarily concerned, should be asked to criticise all the financial details.

	Roubles.
Subscribed capital ..	20,000,000
Ordinary shares (220,000,000 roubles at 4 per cent., realised at 85) ..	187,000,000
Total ..	207,000,000
The Russian and Indian systems are reckoned—	
To expend ..	8,978,000
And to receive ..	17,668,000

Letter from M. A. Bunge to M. Homyakhoff.

St. Petersburg, Zamiatin 4,
July 11 (24), 1910.

Dear Nicolas Alexeyevich,

M. Timiriazoff has come back from London, and has joined our Consortium. In London he saw Count Benckendorff, who expressed his sympathy with our plan and promised his assistance: he also expressed the opinion that the diplomatic conversations in London should be begun only when Sir C. Hardinge has reached the place of his new post, and after a closer study of the Indian side can speak more authoritatively in favour of making a Persian railway. In London financial circles, M. Timiriazoff did not speak of our plan; and in general he thinks that communications with the English banks should take place with the help of the French banks, which will otherwise say that they have been passed over, and this might later have a bad effect on the financing of the enterprise. Anyhow we have more acquaintances and connections amongst the French diplomatists and bankers than amongst the English. So the French can give us the best advice precisely as to what financial groups we should approach in England, in order to avoid touching the financial circles interested in the Bagdad Railway, and also they can show us the methods of approach which will be most successful with the English. In any case, the summer vacation has already begun in London and will last till October, so that just now no business can be done there.

This is also the opinion of M. P. L. Bark, who thinks the right course is now to approach M. Noetzelin in Paris.

In a talk which M. Bark had with Mirza Ali Goli Khan, before the latter left for Persia,¹² it appeared that he was very disposed to help our plan; but, in view of present opinion in Persia, he advises that the future company should officially be not Anglo-Russian, but either French, Belgian, or international, with a directorate not established either in Russia or in England.

On Friday, the 9th July (22), the members of the Consortium who are on the spot (MM. Timiriazoff, Bark, Pechkovsky, Palashkovsky, and myself) met at the Russian Bank in M. Timiriazoff's room, and, after exchanging opinions on the above ideas, decided to put off the visit to England till October; meanwhile, M. Bark will now go to Paris to learn what is the disposition of French diplomatic and financial circles towards our plan, and in general to make the necessary enquiries and prepare the ground for the later negotiations in London. M. Bark expressed his willingness to go.

The meeting desired me to tell you all this, and to ask you to give me your opinion on the resolution which we adopted. Perhaps you may have objections to raise, or you might agree to accompany M. Bark to Paris to help him with your friends and connections.

M. Timiriazoff and I will start on the 1st August (14) on a journey of some time abroad, and so we should like to have an answer from you as soon as possible.

I am sending a copy of this letter to M. A. I. Zvegintseff; perhaps he too will like to take part in the journey. A week ago I was with M. V. N. Kokovtseff and gave him a memorandum and a map. He said that he had long been awaiting this memorandum, for he is very interested in our work. He, however, says that any direct guarantee of capital is impossible; but to the formation of a guarantee fund started by a sum from the supplementary profits of the Russian railways he is ready to agree. M. Bark thinks such a fund insufficient to raise the capital, but I am less pessimistic on this point. M. Kokovtseff has no doubt of the possibility of the financing of our plan, but he fears diplomatic difficulties; he also recommends that attention should be given to Moscow¹³ (the probable complaint that Russia will lose markets in Northern Persia). In a few days is expected here M. Schlesinger, president of the Moscow Commercial Bank; and M. Bark has promised to bring him into our Consortium.

¹² The application to M. Schlesinger was the best way of meeting this difficulty.

A few days ago I had a talk with Sakhánsky. He puts himself entirely at our disposal. We think of putting him on our Consortium, if only the absent members consent. M. V. N. Pechkovsky has put at my disposal 5,000 roubles for the expenses of the Consortium, and M. Bark has written to tell me that he holds at my disposal a similar amount for the same object. M. Bark has sent to M. L. E. Nobel an invitation to join the Consortium, but he has as yet received no answer. M. Nobel is abroad.

With all best wishes,

I am, yours very sincerely,
A. BUNGE.

Letter from M. P. L. Bark to M. Homyakóff.

The Director of
The Volga-Kama Commercial Bank,
St. Petersburg.

Dear M. Homyakóff,

July 13 (26), 1910.

From my talks with the Persian chargé d'affaires, Ali Goli Khan, it appears that in Persia there would be great difficulty in getting a railway concession if the application came from an English or Russian company. The present Anglo-Russian agreement makes the Persians extremely distrustful of anything that comes just now from Russia or Great Britain, and therefore, in the opinion of Ali Goli Khan, it would be more expedient to start a neutral international company (French or Belgian), which would have a better chance of getting the concession. It goes without saying that in this company representatives of both nationalities (English and Russian) could also invest their capital, and also join the board of directors.¹³ In view of this, at a conference held a few days ago at the house of M. Timiriázeff, it was proposed to first feel the ground in Paris, in order that, when the co-operation of the biggest men there has been secured, we should then turn to London. There was also expressed a desire that I should visit Paris as soon as possible to see the French bankers.¹⁴ To-day, however, M. Kokovtseff, in a talk with me on the affairs of my bank, himself turned the conversation to railway-making in Persia, and, after listening to what I had to say on the subject, explained that he thinks that the time has not come for a visit to Paris, as the whole question has yet to be elucidated by our Government. The Minister for Foreign Affairs has asked M. Kokovtseff's opinion, which is being prepared in the Department of Railway Business and in the General Chancery of the Minister (of Finance), and will be given, so the Minister of Finance thinks, in a favourable sense in a week and a-half. However, in view of the extreme importance of the question, the Minister of Finance thinks it essential to bring up the question for discussion in the special Persian conference on the return of M. Stolypin,¹⁵ and under his presidency, with the Ministers of Finance, Trade and Industry, Foreign Affairs, War, and the Navy, M. Kokovtseff thinks that it is only in this last stage that the question will be finally elucidated,¹⁶ and then it will be possible to proceed to its realisation in fact. M. Kokovtseff promised me that the question should be brought before the conference immediately on the return of M. Stolypin, who is expected in the middle of August.

Perhaps this delay will not do any particular harm to the business, if we remember that the chief financiers both of Paris and of London are away, and, being on their holidays, will not much care to take up a big affair, so that discussion would naturally be postponed till autumn.

I myself have written to M. L. E. Nobel, who is abroad, and to M. A. D. Schlesinger,

¹³ No. The enterprise should be Anglo-Franco-Russian. I am for open doors; anyone might come into the Persian railway, but the two ends of the line will hold it, and others can do nothing. Transit is the real significance; we cannot give it all over to the French and Belgians. The fears of Persian distrust are exaggerated; the Persians were hostile to Russia and England when both countries were stopping them from making railways there. Some Persian reactionaries may talk now, but that is all. There is no need to start with concessions; that can be done later. So M. Homyakóff; but M. Timiriázeff agrees with M. Bark.

¹⁴ I agree to sounding Paris first, i.e., to consulting, but not to making a Consortium there before one is made in London. The only sound plan for Anglo-Russian relations is to make the first Consortium in London and then to ask the French to join.—N.A.H.

¹⁵ I have sent to M. Stolypin the memorandum and a detailed letter, so he will know all before the permanent Persian conference discusses the subject.

¹⁶ Yes; it is only there that the question can be settled; but we must first know that we can get money; i.e., Mr. Bark should go to Paris first (he will now soon do so).

chairman of directors of the Moscow Commercial Bank, and I am expecting to hear from them.

Your obedient servant,
P. BARK.

A List of the Russian Consortium, with M. Homyakóff's Notes.

M. N. A. Homyakóff (notes of B. P.). A wealthy country gentleman of distinguished family. Long record of public service. Was head of a department in the Ministry of Agriculture. President of the third Duma, 1907-10. Most Russians would name him as the public man who enjoys the greatest consideration of the public.

M. P. L. Bark, chairman of directors of the Volga-Kama Bank—one of the biggest banks in Russia, and the most solid, being entirely Russian as opposed to Jewish. It does not usually take up railways, but takes up this project with the broadest aims. M. Bark is a statesmanlike man of business, and was for some time at the head of a very large Russian business in Tehran.

M. V. I. Timiriázeff (notes of B. P.) is chairman of a large bank, and was recently Minister of Commerce. His explanation of certain concessions (naphtha) was not considered satisfactory by the Duma. But he has been a consistent friend of English commerce, and as president of the Anglo-Russian Chamber of Commerce he is more than anyone else identified with the commercial rapprochement.

M. V. N. Pechkovsky is a very well-known engineer, and is at the head of the Vladikavkaz Railway (Rostoff-Baku-Tiflis-Batoum, i.e., all the railroads of the Caucasus). It is the biggest and richest of Russian railway companies.

M. S. S. Palashkóvsky is the son of the celebrated engineer often mentioned in the memorandum.

M. A. A. Bunge is nephew of the late very capable and conscientious Minister of Finance (? 1881-87). He has a very good reputation. He was partner of the elder Palashkóvsky, and is now at the head of a big firm for building railways and harbours; it constructed the ports of Batoum and Novorossisk and the railway from Batoum to Baku.

M. Sakhánsky.—An engineer who has done much work in the Caucasus, and several years back carried out investigations as to a possible Persian railway on the spot.

All the above have signed articles. There have also been invited:—

M. L. E. Nobel, head of the well-known enormous kerosene business. He is a prominent member of the Anglo-Russian Chamber of Commerce.

M. A. D. Schlesinger is head of the Moscow Commercial ("Kupechesky") Bank, which is the "father" of all the Moscow banks. His adhesion would be a clear sign that the merchants and manufacturers of Moscow will not oppose on the alleged loss of markets in Northern Persia.

No others are likely to be invited, unless it be—

M. A. I. Zvegintseff, Member of the Third Duma, reporter for the Committee of National Defence, and secretary of the Russian branch of the Interparliamentary Union.

M. Kokovtseff's (Ministry of Finance) attitude is seen from the foregoing letters.

M. Tsvolsky (Foreign Affairs) has lately shown much more interest in the project.

M. Stolypin, it is said, may be taken with the nationalist idea that the whole scheme should be carried out on Russian capital.

M. Homyakóff may come to England for a month in the autumn—e.g., from 15th September. He conceives the matter to be an entirely private affair, but one that needs the approval of both Governments, and must be carried out in the common interests of both States. He therefore thinks it most desirable that both Governments should know, quite informally and quite privately, how the project is proceeding.

[28974]

No. 210.

Mr. Marling to Sir Edward Grey.—(Received August 9.)

(No. 319.)

(Telegraphic.) R.

Tehran, August 9, 1910.

YESTERDAY a fedai in the custody of the police broke away and escaped into the legation gates, which had at that moment been opened to admit military attaché. Persian Government sent me a note asking for his surrender for trial, and, having obtained Minister for Foreign Affairs' verbal assurance that he would be granted an impartial trial and his Excellency's personal promise that the man's life would be safe, I agreed to hand over the man to the police.

[28976]

No. 211.

Mr. Marling to Sir Edward Grey.—(Received August 9.)

(No. 320.)

(Telegraphic.) P.

Gulahek, August 9, 1910.

(R.) MY telegram No. 318.

German Minister has given Russian Minister account of his action and asked latter to communicate it to me. It confirms general correctness of my report, but it appears that German Minister returned from palace to garden and induced fedais to surrender rifles against payment, when fedais asked for guarantee of payment. German Minister said he could not do this, but urged Turkish Secretary to do so, saying he would hold him harmless at Constantinople. Secretary agreed, and German Minister shortly afterwards left, thinking everything was settled. Rifles were actually being handed over when a message from Turkish Ambassador, who was ignorant of proceedings of his Secretary, called latter away.

German Minister said he had gone into Tehran "to obtain information," and acted on the impulse of the moment, because he saw that neither Russians nor British Legation were moving in the matter, and he desired to avert bloodshed. He did not know whether his action would be approved by his Government or not, but would "do it again to-morrow" in similar circumstances. (End of R.)

I was informed by Minister for Foreign Affairs this afternoon that interference from any foreigners was warmly resented by the Government. He further stated that Persian Government were very grateful to M. Poklewski for assurance he had given them (see my above-mentioned telegram), without which they would have hesitated to take military action against the fedais.

The failure of German Minister's mediation has, I think, damaged rather than enhanced his influence, but he would have scored heavily had it succeeded.

(Confidential.)

I am of opinion that Count Quadt's action was more than half premeditated, notwithstanding his denial. In such circumstances a Minister does not go personally "to obtain information" from people who are defying the authority of the Government.

[28977]

No. 212.

Mr. Marling to Sir Edward Grey.—(Received August 9.)

(No. 321.)

(Telegraphic.) R.

Tehran, August 9, 1910.

MY telegram No. 317 of the 8th August.

Casualties are said to be: Troops, &c., 7 killed and 23 wounded; fedais, 18 killed and 40 wounded.

Instead of 300 rifles expected, less than 70 were found in garden; rest are said to be in a deep tank, but another explanation is that Bakhtiari's stole them during night.

From rest of town even fewer arms have been surrendered, and success of disarmament seems to be uncertain.

Bakhtiari's did a little plunder in garden and in a few neighbouring houses, one being that of Smirnoff, Shah's Russian tutor, but it was not serious.

Minister for Foreign Affairs asks me to keep legation gates closed, which seems to indicate nervousness. Bazaars closed a part of the day.

[28978]

No. 213.

Mr. Marling to Sir Edward Grey.—(Received August 9.)

(No. 322.)

(Telegraphic.) P.

Gulahek, August 9, 1910.

INFORMATION having reached me from a reliable source to the effect that the Persian Government contemplate returning a reply to joint declaration regarding concessions, I yesterday took an opportunity of questioning the Minister for Foreign Affairs on the subject. In reply, he stated that the Cabinet had formed this intention, for which, however, he could give no valid reason, as he assured me that present Ministry would refrain from granting any concessions which might be prejudicial to the interests of England and Russia. I pointed out to his Excellency that a most unfortunate impression would be created in London and St. Petersburg if the Persian Government were to send a reply after such a long delay, but I was only so far successful as to obtain from him a promise that, pending further discussion with M. Poklewski and myself, no reply would be returned.

When he presided over the Medjliss Committee for Foreign Affairs, Hussein Kuli Khan advocated the dispatch of a reply, and his Excellency now finds it difficult to retire from the attitude he then adopted, and I think it will be hard to dissuade the Persian Government from taking this step.

[28990]

No. 214.

Sir G. Lowther to Sir Edward Grey.—(Received August 10.)

(No. 546.)

Sir,

Therapia, August 6, 1910.

HIS Majesty's consul at Erzeroum informs me that, an encounter having taken place about three weeks ago in or near the Naku district, in territory to which the Turks lay claim, between Persian and Russian soldiers, the vali is proceeding to Bayazid, where, so Mr. MacGregor is informed, he is to confer with the Persian vice-consul. It appears that a Russian consular officer with a Cossack escort went to the place in question, but the Turks would not let him make an enquiry.

I have, &c.

GERARD LOWTHER.

[29083]

No. 215.

Sir Edward Grey to Mr. Marling.

(No. 232.)

(Telegraphic.) P.

Foreign Office, August 10, 1910.

SITUATION at Tehran (see your telegram No. 297 and my telegram No. 225 of the 22nd and 23rd July, respectively).

I should be glad to hear what passed at the interview, and to have your views on the following demands which were made by M. Poklewski in your presence, and to which Russian Government ask you to give your support.

Demands are:—

1. That all fedai, without exception, should be disarmed;
2. Foreign fedai expelled; and
3. Murderers of Seyyid Abdullah arrested.

I think the moment would be opportune for the foreign fedai to be expelled if all the fedai are now disarmed, for this should make expulsion an easy matter.

[28183]

No. 216.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and has the honour to refer to the conversation which took place on the 3rd instant between the First Secretary of the Russian Embassy and Mr. Tyrrell, of this Office, relative to the recognition by His Majesty's and the Russian Governments of the Valiahd as heir to the Persian throne.

M. Sevastopoulo stated on that occasion that the Russian Government propose to return to the Persian Government a formal reply acknowledging the receipt of the circular letter addressed by the Persian Regent to the chiefs of States naming Prince Mohammed Hassan as heir to the throne, and to instruct their representative at Tehran to make, when transmitting this reply, a verbal statement, in the terms hitherto used on such occasions, to the effect that the Russian Government recognise that Prince in this capacity.

M. Sevastopoulo added that the Russian Government suggested that His Majesty's Government should follow the same course, and that, as they did not consider that there is any necessity for a simultaneous statement by the two representatives, they proposed to reply to the Regent's letter without undue delay.

Sir E. Grey has the honour to inform Count Benckendorff, in reply, that His Majesty's Government have no objection to the slight modification of the proposal made in his memorandum of the 28th ultimo which is involved in the present suggestion, but that they are not at this moment in a position to return any reply to the Regent's letter—because, as pointed out in that memorandum, they have not yet received it.

As soon as it reaches them, however, His Majesty's representative at Tehran will be furnished with instructions to act on the suggestion of the Russian Government and to follow the course adopted by their representative.

Foreign Office, August 10, 1910.

[29111]

No. 217.

Sir A. Nicolson to Sir Edward Grey.—(Received August 11.)

(No. 337.)

Sir,

St. Petersburg, August 7, 1910.

I HAVE the honour to forward to you herewith copy of an *aide-mémoire* which I have received from the Imperial Ministry of Foreign Affairs stating the views of the Russian Government as to the policy which should be pursued with regard to the joint advance of money to the Persian Government.

I have, &c.

A. NICOLSON.

Enclosure in No. 217.

Aide-mémoire.

LE Gouvernement Impérial, ayant pesé les considérations exposées dans l'*aide-mémoire* de l'Ambassade de Sa Majesté britannique en date du 16 (29) juillet courant au sujet de l'avance à faire au Gouvernement persan, croit devoir attirer l'attention de l'Ambassade sur ce qui suit.

Les membres du Cabinet actuel de Téhéran ont de tout temps fait preuve de sentiments malveillants envers la Russie, en encourageant le mouvement anti-russe en Perse et en paralysant constamment les efforts du Ministère précédent d'établir des relations normales avec le Gouvernement Impérial. Il faudrait, par conséquent, avant de venir en aide à ce Cabinet attendre qu'il en exprime le désir, ce qui servirait, à un certain point, de garantie de son intention d'observer dorénavant une attitude plus correcte à l'égard de la Russie.

Selon les informations dont dispose le Ministère Impérial, le Gouvernement persan n'ignore nullement que les deux Gouvernements sont prêts à lui avancer les fonds nécessaires. Une nouvelle déclaration à cet effet ne paraît donc pas être de rigueur.

[29212]

No. 217*.

Mr. Marling to Sir Edward Grey.—(Received August 11.)(No. 323. Very Confidential.)
(Telegraphic.) P.*Gulahek, August 11, 1910.*

DISARMAMENT of fedais.

I have the honour to report that the German Minister, who, in his attempt at mediation on the 7th instant (please see my telegrams Nos. 318 and 329 of the 8th and 9th August respectively), apparently counted on the support of the Turkish Ambassador, is very bitter against this latter. Hassib Bey fears that Count Quadt will cause his attitude in the matter to be misrepresented at the Sublime Porte. In these circumstances I venture to suggest that, in justice to the Ambassador, the real facts might be brought to the notice of Turkish Minister for Foreign Affairs by His Majesty's Ambassador in Constantinople. Turkish Ambassador is a personal friend of Rifaat Pasha, and latter would welcome evidence on his behalf.

I would point out that Vassik Bey (please see my telegram No. 318 of the 8th August) openly defies his chief, and, as he has friends in the Committee of Union and Progress at Constantinople, he will in all likelihood intrigue against his chief.

M. Poklewsky is suggesting to St. Petersburg that Russian Ambassador at Constantinople might be similarly instructed.

d'autant plus que, vu la crise politique et économique que le pays traverse actuellement ainsi que l'avertissement que les deux Gouvernements ont donné récemment au Gouvernement persan au sujet des garanties d'un emprunt extérieur, il est fort douteux qu'une tierce Puissance consente à prêter de l'argent à la Perse sans l'appui de la Russie et de l'Angleterre.

En vue d'amener le Cabinet de Téhéran à revenir à la question de l'avance, le Gouvernement Impérial est d'avis qu'il suffirait que les deux représentants à Téhéran attirent aussi souvent que possible l'attention du Gouvernement persan sur l'absence complète de sécurité sur les routes autant que dans le pays entier. Des instances répétées en ce sens ne manqueraient probablement pas de pousser le Gouvernement persan à renouveler sa prière d'assistance pécuniaire de la part des deux Puissances.

Saint-Petersbourg, le 24 juillet (6 août), 1910.

[27723]

No. 218.

Sir Edward Grey to Mr. Marling.

(No. 130.)

Sir,

Foreign Office, August 11, 1910.

I HAVE received your despatch No. 111 of the 29th June, respecting a promise of support alleged by M. Ter Meulen to have been given to him by His Majesty's Government in his capacity as agent for the British Dominions Marine Insurance Company (Limited).

I have to inform you in reply that, so far as can be ascertained by a careful search, no record exists among the correspondence preserved in the archives of this Office of any such assurance having been given, and that it would be convenient, if a further investigation of the question is desired, that particulars, such as the date when the alleged assurance was given, should be furnished.

I may add that the date in question would presumably be subsequent to 1903, as the company only came into existence in 1904.

I am, &c.

E. GREY.

[29322]

No. 219.

Mr. Wallace to Mr. Norman.—(Received August 12.)

(Private and Confidential.)

Winchester House, Old Broad Street,

Dear Mr. Norman,

London, August 11, 1910.

REFERRING to my interview with you yesterday afternoon, after leaving you I sent a telegram to Mr. Preece, of which the enclosed is a copy.

I am, &c.

(Per C. W. Wallace).

A. G. CHARLTON.

Enclosure in No. 219.

Mr. Wallace, London, to Mr. Preece, Tehran.

(Telegraphic.)

August 10, 1910.

IF Persian Government agrees to loan conditions, tell them you are prepared to sign documents as soon as consolidation Russian Bank loans completed. Meantime, you are authorised to get documents prepared.

[29337]

No. 220.

Mr. Marling to Sir Edward Grey.—(Received August 12.)

(No. 324. Confidential.)

(Telegraphic.) P.

REGENT.

Gulahck, August 12, 1910.

Persistent rumours have reached me to the effect that Azad-ul-Mulk intends to resign the regency, as he disapproved of the forcible measures taken on the 7th instant against the fedais. It is not impossible that Sardar Assad might be a candidate to succeed His Highness. In the recent events the Bakhtiari have played the leading part, and it is now an open secret that Sardar Assad was behind the whole movement. In view of these circumstances, I submit that the two Governments should resolve on what attitude they would adopt in the event of Sardar Assad's candidature proving successful. The powerful tribes in the south-east of Persia might take umbrage at the Sardar's promotion to the regency, and serious disorder might result.

M. Poklewski is telegraphing to Russian Government in similar sense.

[29343]

No. 221.

Mr. Marling to Sir Edward Grey.—(Received August 12.)

(No. 325.)

(Telegraphic.) P.

DISARMING of mojaheds.

Gulahck, August 12, 1910.

With reference to your telegram No. 232 of the 10th August.

M. Poklewski's telegrams seem to have been misunderstood by the Russian Government. The following is substance of what happened: On the 2nd instant, at a review of the Cossack brigade, the Minister for Foreign Affairs informed Russian Minister and myself that the Cabinet had received authorisation from the Medjliss to employ forcible means in order to effect the disarmament of the mojaheds. In reply, we expressed our warm satisfaction that such a resolution had been taken, and specially advised that it should be executed impartially, and that the murderers of Soygid Abdullah should be arrested and the foreign mojaheds expelled. During the next two days the Cabinet seemed inclined to vacillate, and M. Poklewski and I agreed to urge them not to give way. Russian Minister reported this to St. Petersburg, as the Russian authorities are necessarily interested in the expulsion of the mojaheds. As I felt sore of your approval I did not telegraph. The Government have since proved equal to the task that was before them, and there is no need to urge them for the present. We should not hesitate, however, to give them urgent advice suggested if they should seem at any time to need backing up.

[29101]

No. 222.

Sir Edward Grey to Mr. Marling.

(No. 233.)

(Telegraphic.) P.

LOAN to Persian Government by oil company.

Foreign Office, August 12, 1910.

I hear from oil company that a loan of 500,000*l.* is being arranged, and that Persian Government had promised to give Mr. Preece a definite answer by yesterday. I have told the company that I approve of the transaction, and they have instructed Mr. Preece to keep you informed of the negotiations.

Company fully recognise that their only real security is the Persian Government's interest in their own concern, and they are satisfied with this; however, for the sake of appearances, they are anxious that surplus of customs and telegraphs should also be mentioned.

[27727]

No. 223.

Foreign Office to India Office.

Sir,

Foreign Office, August 12, 1910.

WITH reference to your letter of the 16th June relative to the question of the Turco-Persian frontier in the neighbourhood of Mohammerah, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of correspondence exchanged with His Majesty's consul-general at Bushire on the subject and of a despatch from His Majesty's chargé d'affaires at Tehran,* in which he supports the contention advanced by Lieutenant-Colonel Cox that, if the question should be raised, His Majesty's Government should insist on the recognition of the line at present locally admitted in preference to that laid down by the mediating commissioners.

I am to state that Sir E. Grey, after careful consideration of the arguments adduced by Mr. Marling, finds himself unable to modify the view expressed in the despatch of the 27th June to Colonel Cox, and I am to transmit to you herewith draft of the reply which, with the concurrence of Viscount Morley, he would propose to return to this communication.†

I am, &c.

LOUIS MALLET.

[29337]

No. 224.

Sir Edward Grey to Sir A. Nicolson.

(No. 434.)

(Telegraphic.) P.

PERSIAN internal situation.

Foreign Office, August 14, 1910.

With reference to Tehran telegram No. 324 of the 12th August, please inform the Russian Government that I would propose not to interfere in regard to Sardar Assad's candidature, and to leave Persia as far as possible to settle her internal difficulties for herself, in spite of the fact that disorder in the south-east may result from such a policy.

[29599]

No. 225.

Mr. Marling to Sir Edward Grey.—(Received August 15.)

(No. 135. Confidential.)

Sir,

Gulahck, July 25, 1910.

I HAVE the honour to report that not long after their arrival in Tehran, Yprim and Sardar Bahadur called at the British and Russian Legations, and also, I believe, at some of the other foreign Missions. Neither M. Poklewski nor I was at home, and I asked M. Poklewski whether he intended to return the call of the former. The Russian Minister said he was in doubt what course to pursue; the Russian police had quite recently enquired whether the surname of Yprim was, as they believed, Davidian, and, if so, whether he was identical with a Yprim Davidian who had escaped from imprisonment, to which he had been condemned in Russia for participation in a raid into Turkey some years ago. Yprim's card bore the name Yprim Davidian, and it seemed probable that the Persian general and the fugitive from Russian justice were one and the same man. A few days later, M. Poklewski told me that he had referred the point to his Government, and had been instructed to return the call, even though, as he pointed out, it would practically preclude Russia from asking for the surrender of Yprim.

I returned Yprim's card.

M. Poklewski has reasons for thinking that Yprim does not intend to remain long in Persia. The Armenian Tashmaksoutoun Association, of which Yprim is an ardent adherent, is believed to be very discontented with the present state of affairs in Persia, which they think offers very little opening for forwarding Armenian interests and

* Nos. 458 and 622, Part XXII; and No. 170.

† To Mr. Marling (draft).

aspirations, and they especially resent the fact that only a single Armenian representative is allowed to sit in the Medjliss. They are therefore not disposed to allow Persia to profit by Yprim's abilities and prestige, which they think they could utilise to better effect in their own interests in Turkey.

I have, &c.

CHARLES M. MARLING.

[31302]

No. 226.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 136.)

Sir,

Gulahak, July 25, 1910.

WITH reference to my despatch No. 100 of the 14th June, I have the honour to transmit herewith a further despatch from His Majesty's acting consul at Mohammerah respecting the concession reported to be held by a Russian subject of certain lands near Husseinabad, in the neighbourhood of Dizful.

Mr. Wilson has, it will be seen, personally inspected the lands in question, and is of opinion that the chance of successful irrigation on a large scale is very small indeed, and that the immediate interest of the Sheikh Khaz'al in the question is not sufficient to induce him to oppose the concession with much energy at present, although later on he will doubtless demand compensation on behalf of the Al Kathir and a grant of land elsewhere.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 226.

Acting Consul Wilson to Mr. Marling.

(No. 52. Confidential.)

Sir,

Mohammerah, June 6, 1910.

WITH reference to my telegram No. 33 of the 4th June, 1910, on the above subject, I have the honour to give below, for your information, further details obtained by personal observation in 1908 and 1909 of the lands to which, as it now appears, the concession applies.

2. The Husseinabad district was acquired by the late Nizam-es-Sultaneh, when Governor of Arabistan, by grant from Government some twelve years ago, as I am informed, in exchange for certain lands in Kurdistan which he surrendered to Government for the settlement thereon of nomad Kurd tribes.

3. The validity of the late Nizam-es-Sultaneh's title thereto is not, as far as I know, disputed locally. On his death about eighteen months ago the present Nizam-es-Sultaneh took over the management of the property, but I am informed that he only has a right to half the income, the other half, and the ultimate reversion of the whole, belonging to the late Nizam-es-Sultaneh's son, a minor, who is, I believe, now in Shiraz. The Sheikh of Mohammerah, however, pays the rent in full to the Sardar Mukaram.

4. The lands in question are irrigated, not from the Diz, but from the Shaur, a small stream having its origin in springs which in their turn are fed from the Karkhah. The quantity of water is not large, and is the same both in winter and summer. It is already utilised to some extent by the local Arabs, the principal canal being the Nahr Harmushi. It is scarcely sufficient, I should think, to water 200,000 acres, and I doubt whether, in any case, the irrigable area of the Husseinabad lands is more than half this figure.

5. The Husseinabad district is now in the occupation of the Al Kathir Arabs, under Sheikh Haidar-lin-Ghafil, who is tributary to Sheikh Khaz'al of Mohammerah. This tribe is powerful, numbering about 2,500 fighting men, and has occupied the Husseinabad lands for many years, at all events long before the Nizam-es-Sultaneh obtained them.

They are in close touch with the Cha'b Dubais Arabs, under Farhan Assad, and keep up relations with other tribes, such as that of the Mushattat, the Khasrij, Bani Lam, &c., who are independent, and occupy the Turco-Persian border. They would probably actively resent displacement, and would have to be substantially compensated

by a grant of land elsewhere. They are not a true nomad tribe, as they cultivate largely, and keep in working order a considerable number of small canals.

6. As regards the prospects of an irrigation scheme in these lands, I am of the opinion that a very small working capital would suffice, say 50,000*l.*, but doubt whether the returns from the land would suffice to make the scheme attractive as an investment. Twenty-five years is a short lease, and makes a minimum return of 10 per cent. per annum on the capital invested essential if the scheme is to pay its way financially. Probably only half the area is cultivable. Labour is dear, though obtainable near Dizful without serious difficulty. The Husseinabad lands are close to the frontier, and exposed to attack not only by independent Arab tribes, but also by the Sagwand and Dirakwand Lurs. It is scarcely likely for many years to come that in this corner of Arabistan the requisite political security will be forthcoming which alone could induce investors to subscribe funds for agricultural development. No part of Arabistan is more insecure, as it is adjacent both to the Turco-Persian and the Arabistan-Luristan border, and is too distant from Mohammerah for Sheikh Khaz'al to be able to exercise effective influence there.

7. The attitude of the sheikh to the concession is now somewhat different from that described in my telegram No. 1 of the 3rd January, as the sheikh was then, like myself, under the impression that the lands referred to were between the Diz and Karun, near Band-i-kir, and consequently actually within the limits of his official and recognised jurisdiction. He now maintains a guarded attitude in regard to the question. He recognises the title of the Nizam-es-Sultaneh, but, as lessee, he expects adequate compensation, on behalf of the Al Kathir Arabs, if they are disturbed, and he expects land for them to be granted elsewhere.

8. He personally, I believe, considers that the difficulties which I have described above will probably prove prohibitive, and I am inclined to agree with him. The distance of the lands in question from the nearest seaport, Mohammerah, is more than 200 miles, a serious handicap to the export of cotton or cereals. The cotton hitherto grown in and around Dizful has been of indifferent quality. It seems improbable that the concessionnaires will be able to utilise the Diz for the carrying of their produce, owing to its many shoals and rapid current as well as to the danger from the semi-independent Arabs along its banks. It will have to be sent by land to Dizful, thence to Shushtar, where it is ferried across the Karun; thence to Shalili, where it is placed on Messrs. Lynch Brothers' steamer and transported to Ahwaz, for transshipment to Mohammerah. The cost of this circuitous method of transport will probably prove prohibitive.

9. My own view is therefore that, assuming the Nizam-es-Sultaneh's concession is for the Husseinabad lands near Dizful, the chances of irrigation being successful on a large scale are so small that it is not worth our while to exercise much pressure to prevent the concession being confirmed, unless it be considered desirable to do so on grounds of general policy, or unless there is a prospect of it falling into the hands of foreign capitalists.

The sheikh's immediate interest in the question is, I believe, not sufficient to induce him to take at present a very decided line against the concession, although he will no doubt later on, when the concession takes shape, make demands for compensation on behalf of the Al Kathir for disturbance, and a grant of land elsewhere.

I have, &c.

A. T. WILSON, Lieutenant, I.A.

[31303]

No. 227.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 137.)

Sir,

Gulahak, July 25, 1910.

WITH reference to my despatch No. 120 of the 7th July, I have the honour to report that the Russian Minister has informed me that his Government have agreed to his recommendation to refrain from insisting on the appointment of a successor to the late Dr. Sadowski as Physician to the Shah in the event of Dr. Lindley's contracting a fresh engagement with the Persian Government.

Dr. Lindley informs me that he believes he will succeed in doing so.

I have, &c.

CHARLES M. MARLING.

[29600]

No. 228.

Mr. Marling to Sir Edward Grey.—(Received August 15.)

(No. 138. Confidential.)

Sir,

Gulahak, July 29, 1910.

AS I reported in my despatch No. 132 of the 15th July, Mustaufi-ul-Mamalek encountered great difficulty in forming a Cabinet, as the moderate section of the Nationalist party, such as Musteshar-ed-Dowleh and Mushir-ed-Dowleh, refuse to join him, and the assassination of Haji Seyyid Abdullah Mujtehed on the evening of the 15th instant appeared to extinguish the last chance of his success. The crime was perpetrated quite openly. Four fedais—three Persian and one Russian subject, it is said—presented themselves at the seyyid's house, and were at once admitted to the room where the seyyid was sitting with his son and four friends. The first shot was fired by the leader, and was followed by seven or eight others from the pistols of his accomplices, the mujtehed being killed on the spot. No attempt was made to seize the assassins, who left the house as easily as they had entered it, and, walking quietly to the street corner, where a carriage awaited them, drove off through one of the most frequented streets of Tehran unmolested. The murder caused a profound sensation. In the eyes of the public it was a reply of the Extreme Nationalists to the denunciation launched against Taki Zadeh by the ecclesiastics of Nejef, and was tantamount to an open declaration of war against religion by the so-called Socialists. It was recalled, moreover, that this was not the first political murder committed in Tehran of late, as Amin-ul-Mulk, a month or so ago, had been made away with as a warning, so it was believed, to Sipahdar, whose partisan he was, and it was widely believed that a list of further victims, among them being Sipahdar and Nasr-ul-Mulk, had been drawn up and placed in the hands of the fedais. The timidity of the Tehranis no doubt exaggerated the gravity of the situation, but that there was genuine and widespread alarm is incontestable; Sipahdar's house, for instance, was strongly guarded by his own retainers; Nasr-ul-Mulk announced his intention of leaving for Europe, an intention he has since carried out, and Vekil-ul-Roaya sent to me to say that he felt his life was in danger, and to ask if he might take refuge in the legation in case of need.

The apathy of the authorities showed clearly that no attempt would be made to arrest Seyyid Abdullah's assassins, and it was generally felt that, unless a strong demonstration of public indignation were made, the fedais would be encouraged to establish a reign of terror. The bazaars therefore remained closed, and a number of mullahs and merchants collected at the Masjid-i-Mervi, and there were whispers of an appeal for the interference of the British and Russian Legations by taking bast in the villages of Gulahak and Zerguendeh.

I was at first rather disposed to believe that the demonstration was being worked up for party purposes by the friends of Sipahdar, and I told M. Poklewski—who was telegraphing to his Government suggesting that, if an appeal were thus made to us, we should be justified in giving our support to it—that I thought it by no means sure that the demonstrators would take bast with us, and also that, before following his example, I should wait to assure myself that the movement was a genuine and spontaneous expression of public feeling. That this was so became evident in the course of the next few days from the increasing numbers and representative character of the assembly at the mosque, and it seemed to me also that the leaders of the demonstrators might feel themselves so much compromised that they might be driven into an appeal for our intervention. The demands put forward also were natural and moderate, viz., the arrest and punishment of the murderers of the mujtehed, the expulsion of the foreign fedais, and, lastly, the convocation of the Senate and the dissolution of the existing Medjliss.

Of the expediency of the first two of these points there can be no question, though possibly the expulsion of fedais might have been attended with some bloodshed. The Russian Minister, however, was quite ready to co-operate with the Persian authorities, and so great is the moral effect of an order from the Russian Legation that it is quite probable that the leading fedais, most of whom are Russian subjects, would have tamely surrendered, and in that case the backbone of their resistance would have been broken. As for the creation of the Senate, I was very sceptical as to any useful results accruing from it, and it seemed to me, as you suggested in your telegram No. 225 of the 23rd July, that it was more than likely to prove a fresh element of discord; but, on the other hand, I agreed with M. Poklewski that there was a fair prospect that fresh

elections might result in the return to the Medjliss of a more practical body of deputies than the present legislators, and in the exclusion of some of the most violent partisans. The demonstration, in fine, appeared to me to be an honest expression of discontent against the existing chaos and of protest against the accession to power of the party responsible for bringing it about, and I thought that, as such, the two Powers might very properly give it their moral support. It was clear that our intervention would tend to the restoration of Sipahdar to office, and, although I cannot pretend to think that he is likely to be an ardent reformer, he would, at all events, with a loyal Cabinet and a less obstructive Medjliss, be capable of maintaining order in the country at large and of putting Persia's relations with the two Powers on a satisfactory footing, two conditions indispensable for the reorganisation of Persia. The appeal to the two legations, however, was not made, for assurances were given to the party at the Masjid-i-Mervi that every effort would be made to punish Seyyid Abdullah's murderers, and an announcement—printed, I am assured, at the Government press—was circulated by the Committee of Union and Progress stating that the Russian Legation had sent a memorandum to the Persian Foreign Office threatening that, "if in three days the shops are not opened, the public excitement is not over, and the crowd is not dispersed, we"—the Russian Legation—"shall, for the protection of our interests and for the prevention of any untoward incident, have recourse to military measures, and will undertake the maintenance of order at Tehran." The effect of this announcement, which was, of course, entirely unfounded, was instantaneous, and on Thursday the bazaars were reopened, but, though the bulk of the gathering at the mosque has dispersed, practically all the leaders still remain there, and arrangements have been made for feeding them, &c., which indicate that they will persist until the murder of the seyyid has been avenged.

Meantime, Mustaufi-ul-Mamalek seemed to be no nearer forming his Cabinet than a week earlier. No one cared to compromise himself by joining a combination which was manifestly distrusted by the public and whose tenure of office was likely to be brief, and on Sunday evening Sipahdar was summoned to Tehran by the Regent. I have not yet learnt what passed between them; probably he declined absolutely to take office at present, except on his own terms, but that he promised to give his support in the Medjliss, of which he and Sardar Assad were made members when they resigned office, to any Ministry that might be formed. The Nationalists evidently felt that a Government formed exclusively from their own ranks would not command the respect of the country, and it was said that they were endeavouring to persuade Ain-ed-Dowleh or Farman Farma to assist them. To be reduced to enlisting the services of such a notorious exponent of government by tyranny and extortion as Farman Farma is in itself a confession of failure, and it would be interesting to know what arguments were found to overcome his reluctance to take office. His own reasons were, of course, that by joining a Nationalist Cabinet he could free himself for ever of the charge of having reactionary tendencies.

On the evening of the 25th Mustaufi-ul-Mamalek introduced the new Ministers to the Medjliss. He himself takes no portfolio, and the Ministry of Public Works, Commerce, and Instruction is left vacant. The other Ministers are:—

Hussein Kuli Khan (Foreign Affairs).
Hakim-ul-Mulk (Finance).
Kawam-us-Sultaneh (War).
Farman Farma (Interior).
Assadullah Mirza (Posts and Telegraphs).
Dabir-ul-Mulk (Justice).

Of these, probably only Hussein Kuli Khan Nawab and Assadullah Mirza accepted office with any alacrity, and both, but especially the first named, are violently anti-Russian. It is therefore a misfortune that he should have been selected to fill the post of Minister for Foreign Affairs. Hussein Kuli Khan is favourably known in London, but I must confess that my own experience leads me to believe that he is lacking in some of the qualities necessary to make a good Minister for Foreign Affairs. His personal relations with M. Poklewski have hitherto been quite friendly.

Of the other Ministers, Assadullah Mirza is probably the most intelligent, but he is self-seeking, vain, and intriguing, but Kawam-us-Sultaneh is credited with having done good work as Under-Secretary at the Ministry of War. Hakim-ul-Mulk is credited with neither brains nor experience. These four represent the Nationalist element in the Ministry, or, as the native papers call them, the "Ejtema'oun," or Socialists.

The press has given the combination a very cool reception, and even in the Medjliss

there are signs of lukewarmness in some of the groups that assisted to bring about the fall of the late administration.

I have, &c.
CHARLES M. MARLING.

[29994]

No. 229.

Telegram communicated by Count Benckendorff, August 15, 1910.

M. POKLEWSKI télégraphie:—

"Le bruit court ici que le Régent, qui n'approuve pas l'emploi des armes contre Satar et Bagir, compte donner sa démission, et, en vue du rôle prépondérant des Bakhtiari dans les derniers événements, beaucoup de monde pensent que c'est Sardar Assad qui sera élu.

"Il serait très désirable de déterminer dès maintenant les points de vue des Gouvernements russe et britannique au sujet de cette éventualité.

"Il semble hors de doute qu'une pareille élévation d'un chef Bakhtiari ne sera pas populaire aux yeux de la grande partie de la population persane et provoquerait des troubles sérieux parmi les peuplades nomades du midi, qui sont en rivalité avec les Bakhtiari. De plus, la question dynastique pourrait surgir à tout moment."

[29686]

No. 230.

India Office to Foreign Office.—(Received August 15.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 2nd August, relative to road guards in Southern Persia.

India Office, August 13, 1910.

Enclosure in No. 230.

Viscount Morley to Government of India.

(Telegraphic.) P.

August 2, 1910.

SOUTHERN Persia road guards.

It is proposed to inform Persian Government that if by the end of September order has not been restored by them on roads in south, formation of a force of 1,000 or 1,200 men to be levied and officered by eight or ten officers of Indian army, whom you will be asked to lend, will be insisted upon by His Majesty's Government. It is proposed that cost shall be met from revenues of Fars plus surtax of 10 per cent. on customs of Gulf.

[29724]

No. 231.

Mr. F. C. Strick to Foreign Office.—(Received August 15.)

*Bullie House, Londenhall Street, London,
August 13, 1910.*

Sir,

WITH reference to my interview with Mr. Norman a short time back, when I handed him copies of correspondence exchanged between my firm and Messrs. Andrew Weir and Co.; although I do not see any immediate necessity for my having to trouble you any further in connection with the matter, I think it advisable I should send you a copy of a letter received from Mr. David Brown, of Tehran (together with copy of the supplementary agreement he refers to); also copies of two telegrams

which I have exchanged with him regarding a dispute which has arisen between the Muin-ut-Tujjar and Messrs. Ellinger and Co.

I have, &c.
FRANK C. STRICK.

Enclosure 1 in No. 231.

Mr. D. Brown to Messrs. Frank C. Strick and Co., London.

Dear Sirs,

Tehran, July 22, 1910.

I TRIED my utmost to have the contract signed before leaving town, but to no purpose. The legation is very anxious, too, that it should be signed. With the present Cabinet difficulties, it is quite impossible to make any progress. I hope on my return to town about the beginning of August to have the matter arranged.

The Muin-ut-Tujjar is working round to the other side of the fence, and, seeing that it was hopeless for him to combat the Vekil-ul-Roya, he has been trying to get into the good graces of the latter. He informed the Vekil-ul-Roya last week that he held a letter from Weir absolving him from all liability in the event of the Persian Government taking the islands from him. I wired you to this effect on the 13th instant, and added that I hoped to obtain this letter within a week. It now turns out that a supplemental contract was made, copy of which I now enclose, and I am also sending a copy to Mr. Marling. I am trying to borrow the original, and have a copy of it certified by the legation. In the face of this supplemental contract, I do not understand what right Messrs. Weir and Ellinger had to protest through the Foreign Office against the sale of oxide to you by the Persian Government.

I am instructing the bank to wire you that I am sending you the copy of supplemental contract between Weir and Muin-ut-Tujjar, and that I have handed a copy to the legation.

I hope that within a few days of this letter reaching you the whole business will be finally concluded. It has been dragging on for a very long time.

When the new Cabinet has been arranged, it will have to be explained all over again to the new Minister of Mines and Public Works, whoever he may be, and there should be no further delay.

The supplemental contract between Weir and the Muin makes things look much brighter.

I am, &c.
DAVID BROWN.

Enclosure 2 in No. 231.

Supplementary Agreement.

AN agreement made on the 4th December, 1908, between Hadji Agha Mohammed Muin-ut-Tujjar, of Bushire (hereinafter called the seller), of the first part, and Messrs. Ellinger and Co., of Manchester (hereinafter called the agents for the seller), of the second part, and Messrs. Andrew Weir and Co., of 6, Lloyd Avenue, London (hereinafter called the buyer), of the third part, supplemental to an agreement bearing even date herewith and made between the parties hereto:

Whereby it is agreed as follows:—

1. In the event of hindrances being raised by the Persian Government or their officials as to the shipment of oxide, or should new taxes be levied on the export of oxide, or should the Persian Government in any way prevent the shipping of oxide, the seller and the agents for the seller shall be in no way responsible, and the buyers have no right to claim any damage or demand delivery of oxide, and the seller has every right to cancel the contract or postpone delivery for a period not exceeding three months from the commencement of difficulties (hindrances). It is further agreed that, in the event of the seller knowing for certain that he cannot any longer ship by reason of the causes mentioned herein, the buyers shall be immediately notified by cablegram

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3 B

or telegram of the fact, so that they may be prevented from sending tonnage to load at Ormuz at times when the seller is unable to make deliveries.

2. Agents for the sellers are only parties hereto for the purposes of the acts to be done by them, or otherwise herein expressed with regard to them, and are not otherwise under any personal liability to the buyers.

Enclosure 3 in No. 231.

Cablegrams exchanged between Mr. David Brown, Tehran, and Messrs. Frank C. Strick and Co., London.

(1.)

Mr. D. Brown to Messrs. Frank C. Strick and Co.

August 11, 1910.

MUIN-UT-TUJJAR has dispute with Ellinger and Co., Manchester, and he wishes to transfer his account to you. Will you act as his agent?

(2.)

Messrs. Frank C. Strick and Co. to Mr. D. Brown.

August 12, 1910.

INADVISABLE our name appear. Would arrange reliable man act under advice our solicitor.

[29750]

No. 232.

Mr. O'Beirne to Sir Edward Grey.—(Received August 15.)

(No. 223.)

(Telegraphic.) P.

St. Petersburg, August 15, 1910.

THE Russian Government learn from their Minister in Tehran that a proposal has been introduced by the Persian Government into the Medjliss, according to which the following foreign advisers should be engaged to reorganise the administration: For the Finance Department, seven Frenchmen; for the police, some Swedes; and for the gendarmerie and Ministry of the Interior, a certain number of Italians.

In M. Sazonow's view, special objection attaches to Italians being engaged. He sees danger in an application being made by the Persian Government for advisers who are nationals of Great Powers other than England or Russia, for Germany would be given a pretext for claiming to participate also.

M. Sazonow evidently is anxious to learn your opinion on this question.

[29751]

No. 233.

Mr. O'Beirne to Sir Edward Grey.—(Received August 15.)

(No. 224.)

(Telegraphic.) P.

St. Petersburg, August 15, 1910.

SOUTHERN roads of Persia.

The Acting Minister for Foreign Affairs states that he sees no objection to the proposals contained in your despatch No. 219 of the 8th instant respecting the restoration of order on the southern roads, but he wishes to wait until he has received the views of the Russian Minister at Tehran before returning a definite reply. He has already asked for M. Poklewsky's views.

[29746]

No. 234.

Sir Edward Grey to Mr. O'Beirne.

(No. 433.)

(Telegraphic.) P.

Foreign Office, August 15, 1910.

PROPOSED loan of oil company to Persia.

Oil company desire to authorise their agent to sign without delay the loan contract, which is now ready for signature, Persian Government having accepted company's terms.

Please ascertain whether Russian Government have any objection to signature.

[29212]

No. 235.

Sir Edward Grey to Sir G. Lowther.

(No. 207.)

(Telegraphic.) P.

Foreign Office, August 15, 1910.

TEHRAN telegrams Nos. 320 and 323 of the 9th and 11th August.

If Rifaat Pasha asks any questions, or if you think it will do any good, you may, when you receive above telegrams, explain their contents privately and unofficially to him, as well as those of Tehran telegram No. 318 of the 8th instant, emphasising the judicious attitude which the Ambassador of the Sublime Porte adopted at Tehran in view of the resentment shown by Persian Government as to the German Minister's recent action and as to their jealousy of foreign interference in general.

[28363]

No. 236.

Foreign Office to Manchester Chamber of Commerce.

(Confidential.)

Sir,

Foreign Office, August 15, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 4th instant, forwarding a communication from firms in Manchester interested in trade with Persia, relative to the unsatisfactory conditions of that country, with special reference to the insecurity of the roads.

I am to state, in reply, for your confidential information, that His Majesty's Government have recently proposed to the Russian Government that a strong joint representation should be made to the Persian Government as to the state of the roads.

His Majesty's Government have also under their consideration a new and more effective scheme for dealing with the situation, on the application of which they intend to insist if the Persian Government fail to take action themselves with a view to remedy it within a given time.

I am, &c.

LOUIS MALLET.

[29866]

No. 237.

Mr. Marling to Sir Edward Grey.—(Received August 16.)

(No. 326.)

(Telegraphic.) P.

Gulahak, August 16, 1910.

ENGAGEMENT of foreign functionaries.

A proposal for the employment of the following foreign experts has been laid before the Medjliss by the Government:—

For the Ministry of Finance	...	Seven Frenchmen.
For the Gendarmerie	...	Four Italians.
For the Police	...	Two Swedes.
For the Ministry of Justice	...	{ Two experts, of whom one is to be Egyptian.

There appears to be no provision made for military instructors. I was informed yesterday by the Minister for Foreign Affairs that he was confident that the Cabinet

would obtain the approval of the Medjliss forthwith, but he gave me no details respecting the negotiations.

In conclusion, he added that the Persian Government intend to invite M. Bizot to return to Persia.

[29868]

No. 238.

Mr. O'Beirne to Sir Edward Grey.—(Received August 16.)

(No. 225.)

(Telegraphic.) P.

St. Petersburg, August 16, 1910.

CANDIDATURE of Sardar Assad for the Persian Regency. Please refer to your telegram No. 434, dated the 14th August.

Your view that interference on the part of the Russian and British representatives in this matter would be undesirable is shared by M. Sazonow.

[29874]

No. 239.

Mr. O'Beirne to Sir Edward Grey.—(Received August 16.)

(No. 226.)

(Telegraphic.) P.

St. Petersburg, August 16, 1910.

PROPOSED loan transaction by Anglo-Persian Oil Company.

Your telegram No. 138 of the 15th August.

In accordance with your instructions, I am enquiring views of the Russian Government, but it is to be presumed that they still hold to their stipulation that the conversion of the debts due by the Persian Government to the Russian Bank must precede any transaction of the nature contemplated.

M. Sazonow will probably ask me whether the contract in its final form includes the surplus of the northern and southern customs among the securities for the loan, and I should therefore be grateful if I could be furnished with information on this point.

[29875]

No. 240.

Mr. O'Beirne to Sir Edward Grey.—(Received August 16.)

(No. 227.)

(Telegraphic.) P.

St. Petersburg, August 16, 1910.

MY telegram No. 226 of to-day.

Proposed loan transaction by Anglo-Persian Oil Company.

I have had a conversation on the above subject with the Acting Minister of Foreign Affairs, to whom I handed an enquiry in writing. M. Sazonow said that the conclusion of a loan of the nature contemplated by the oil company was approved by his Government in principle, but that if the contract were now signed all prospect of the conversion of the debts due to the Russian Bank would vanish. They therefore objected to its conclusion at the present moment.

In reply, I argued that the transaction was not strictly a loan, but was rather of the nature of a transfer of shares, the Persian Government merely making over to the oil company the shares which they held in that concern. M. Sazonow, however, was not impressed by this argument.

[29750]

No. 241.

Sir Edward Grey to Mr. Marling.

(No. 237.)

(Telegraphic.) P.

Foreign Office, August 16, 1910.

ENGAGEMENT of foreign experts.

What are your views and have you heard any report of such an intention on part of Persian Government? (see St. Petersburg telegram No. 223 of yesterday repeated to you).

[28970]

No. 242.

Foreign Office to Board of Trade.

(Most Confidential.)

THE Under-Secretary of State for Foreign Affairs presents his compliments to the Secretary of the Commercial Intelligence Branch of the Board of Trade, and is directed by Secretary Sir Edward Grey to transmit to him herewith copy of a paper communicated to this Office by Professor Bernard Pares, of the University of Liverpool, containing extracts, in translation, of a memorandum drawn up by M. Homyakoff, formerly President of the Russian Duma, with regard to a scheme for the construction of a railway destined to connect Europe with India and the Far East by way of Persia.*

Lord Hardinge of Penshurst is to request that the Branch will furnish their views as to the commercial aspects of the scheme from the point of view of British trade, and that a reply may be returned to this communication with all convenient speed in order that Sir E. Grey may be enabled to discuss the question with Professor Pares during the course of next week.

Foreign Office, August 16, 1910.

[29924]

No. 243.

Messrs. Ziegler and Co. to Sir Edward Grey.—(Received August 17.)

Sir,

Manchester, August 16, 1910.

REFERRING to the letter which the Manchester Chamber of Commerce forwarded to you on the 28th July dealing with the highly unsatisfactory state of the roads in Southern Persia, we beg to address you again on this subject, as it is of the utmost importance to us and to all merchants trading with the Persian Gulf that a remedy be speedily found to put an end to the existing state of chaos on the trade routes.

We have for some years past been struggling under the most adverse conditions to do all in our power to maintain our trade in South Persia, buoyed up by the hope that with the advent of the new régime effective measures would be taken to ensure a return to more normal conditions.

We are of course aware of the measures which were proposed last year with a view to bringing about an amelioration of the position, such as the patrolling of the roads and the payment of an additional import duty to contribute towards the necessary funds, but nothing came of all these proposals, and, far from there being any improvement in the situation, it is an indisputable fact that matters have simply gone from bad to worse.

The very important export trade which we formerly carried on to Northern Persia has already been entirely extinguished by the Russian advance in Azerbaijan, and we fear that, although from a different cause, the same fate will overtake British trade in South Persia unless a remedy be speedily found, security restored, and quicker and regular transport ensured on the main trade artery, the Bushire-Shiraz-Ispahan route.

Instead of being able to do a remunerative business as in former years, we now find ourselves confronted year after year with such formidable losses that the time has come when we have seriously to consider whether it will be possible for us to continue doing business there at all or be compelled to retire entirely from the market.

The extreme gravity of the position with which we are now confronted—the seriousness of which we have in no wise overstated—impels us again to appeal to you for assistance, in the hope that some measures may even yet be taken of a nature calculated to restore confidence and revive enterprise.

We have, &c.

PH. ZIEGLER AND CO.

* See No. 209.

[29983]

No. 244.

Mr. Marling to Sir Edward Grey.—(Received August 17.)

(No. 328.)

(Telegraphic.) P.

Gulahak, August 17, 1910.

STRATHCONA Syndicate and Kerman mines concession.

Persian Government have been favourably disposed towards these negotiations by the prospect of the construction of a tram-line to connect Kerman with the Persian Gulf, and Mr. Preece has accordingly been proceeding on the assumption that a trunk line should be constructed from the coast to Kerman and connected with mines by branches. He has now received instructions to insist that the trunk line should end at the mines, and not at Kerman. Prospects of obtaining concession will be jeopardised by insistence on this point.

I submit that rich mineral fields to west of Kerman would also eventually benefit if Kerman be made the objective of the trunk line; it would probably lead to extension of line to Yazd, and our trade would gain greatly thereby.

[29964]

No. 245.

Mr. Marling to Sir Edward Grey.—(Received August 17.)

(No. 329.)

(Telegraphic.) P.

Gulahak, August 17, 1910.

PERSIAN Government and oil syndicate. Proposed advance.

With reference to your telegram No. 233 of the 12th August, I have the honour to report that Mr. Preece has received instructions to apply, among other securities, for surplus of customs from southern ports and for telegraphs. It appears, however, that the Persian Government are unwilling to accede to either of these demands, and in this connection I submit that it would be contrary to the terms of our understanding with Russia, in which it was stipulated that joint advance from two Governments should be secured on revenues of customs as a whole (see your telegram No. 203 of the 2nd July), to pledge former to oil syndicate.

I have just received your telegram No. 236 of the 15th August. I consider statement premature at present.

[29985]

No. 246.

Mr. Marling to Sir Edward Grey.—(Received August 17.)

(No. 330.)

(Telegraphic.) P.

Gulahak, August 17, 1910.

ENGAGEMENT of foreign assistants.

Your telegram No. 237 of the 16th August and my telegram No. 326 of same date have crossed.

I venture to point out that Germans are perfectly aware that the joint Governments have refrained from exercising any influence on the Persian Government with regard to the choice of Frenchmen for the Ministry of Finance, and that they have even stated that that selection might be inconvenient from certain points of view. On that score, therefore, I submit that Germany could not address remonstrances to the Powers. She could not do so either on the ground of engagement of Italians, since Italy is Germany's ally, except in the face of insistence on the part of the two Powers that their own subjects be employed in some capacity by the Persian Government. If they did so, they would be claiming more than we ourselves ask for.

Up till now, Persian Government have not come to any decision with regard to military instructors, but the choice of Austrians is, I have reason to believe, contemplated. In view of the close relations existing between Vienna and Berlin, this selection appears open to objections, and I suggest that, to avert it, the two representatives be instructed to convey an intimation to the Persian Government that they should apply to a small Power for military instructors, as Great Britain and Russia would be obliged in the event of choice being made of subjects of a Great Power to insist that they should be excluded from regions in which their strategic interests might be affected.

M. Poklewski is telegraphing in similar sense to Russian Government.

[29990]

No. 247.

Mr. O'Beirne to Sir Edward Grey.—(Received August 17.)

(No. 228.)

(Telegraphic.) P.

St. Petersburg, August 17, 1910.

CANDIDATURE of Sardar Assad for the Persian Regency.

The views of Acting Minister of Foreign Affairs, as reported in my telegram No. 225 of the 16th August, seem now to have undergone some modification as the result of a telegram which he has since received from M. Poklewski. He appears now to favour an intimation being made to the Persian Government by the two representatives at Tehran to the effect that the selection of Sardar Assad as Regent would not be desirable. Count Benckendorff has been instructed to make a communication to you to this effect.

[29964]

No. 248.

Sir Edward Grey to Mr. Marling.

(No. 240.)

(Telegraphic.) P.

Foreign Office, August 17, 1910.

PROPOSED loan of oil company to Persia. See my telegram No. 203 of the 2nd July.

The understanding with Russia to which my telegram refers applied to the joint advance which it was then suggested that the two Powers should make.

See your telegram No. 329 of to-day.

The advance which is at present under consideration will be made by British group privately to the Persian Government, and we did not understand that it was proposed to pledge the northern customs as security for an advance which did not concern Russia.

In answer to last paragraph of your above-mentioned telegram, we hear that company have now decided to draft their contract here and submit it to the Foreign Office for their concurrence before authorising its signature instead of instructing Mr. Preece to draft it as proposed at first.

[29875]

No. 249.

Sir Edward Grey to Mr. Marling.

(No. 243.)

(Telegraphic.) P.

Foreign Office, August 17, 1910.

PROPOSED loan of oil company to Persia.

I hear from the oil company that Mr. Preece has telegraphed to them that the Russians at Tehran consider that, if the loan were made without delay, it would be of great advantage to them in arranging for the conversion of the Russian Bank debt, and that consequently they are anxious for its immediate conclusion.

This information does not tally with St. Petersburg telegram No. 227 of yesterday, and I conclude that Mr. Preece's information is incorrect and that his loan will have to wait.

Is there any prospect of concession being concluded?

[29874]

No. 250.

Sir Edward Grey to Mr. O'Beirne.

(No. 447.)

(Telegraphic.) P.

Foreign Office, August 17, 1910.

PROPOSED loan of oil company to Persia. See your telegram No. 226 of yesterday.

Company have decided to ask for surplus revenue of southern customs only as supplementary security for their loan (see my telegram to Tehran No. 240 of to-day), instead of including the surplus revenue of all customs as they originally intended.

[29343]

No. 251.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and, with reference to the conversation which his Excellency had with Mr. Mallet on the 9th instant, relative to the attitude to be observed by the representatives of the two Powers at Tehran on the question of the treatment of the fedai and the prosecution of the murderers of Seyyid Abdollah Mujtehed, has the honour to state that he addressed a telegram to Mr. Marling, enquiring what passed at the interview in the course of which, in his presence, M. Poklewski was stated to have made certain demands of the Persian Government on these points.

Mr. Marling has now replied that on the 2nd instant the two representatives met the Persian Minister for Foreign Affairs at a review of the Cossack brigade, and, on being informed by his Excellency that forcible measures for the disarmament of the fedai had been authorised by the Medjliss, warmly expressed their satisfaction at this step, and especially advised the impartial performance of this work, the expulsion of the foreign fedai and the arrest of Abdollah's murderers.

During the next two days, as the Persian Government showed signs of weakening in their resolution, M. Poklewski and Mr. Marling agreed that they should be encouraged to act with firmness.

As the expulsion of the foreign fedai was necessarily a matter of interest to the Russian Government, M. Poklewski reported the matter at the time, but Mr. Marling, feeling sure that his attitude would meet with the approval of His Majesty's Government, did not think it necessary to do so.

Mr. Marling adds that since the time referred to the Persian Government have shown their ability to deal with the situation, so that further action on the part of the two representatives is at present superfluous. If, however, the latter detect signs of vacillation they will not hesitate to give them urgent advice, as has been suggested.

Foreign Office, August 17, 1910.

[30234]

No. 252.

Memorandum communicated by Count Benckendorff, August 18, 1910.

COMME la réponse du Gouvernement persan à la note collective du 7 (20) mai ne nous sera sans aucun doute pas favorable, il paraît nécessaire de décider dès à présent l'attitude des deux Gouvernements dans une pareille éventualité.

De son côté, le Ministère Impérial des Affaires Etrangères est de l'opinion qu'il serait opportun que M. Poklewski et Mr. Marling restituent aux Persans leur note responsive en leur faisant remarquer que la note du 7 (20) mai contenait, non pas une question demandant une réponse, mais simplement un avertissement au Gouvernement du Schah, et que si le Gouvernement persan ne croyait pas devoir tenir compte des légitimes désirs exprimés dans cette note par des Puissances voisines qui lui ont toujours montré de la bienveillance les deux Puissances se réservent de prendre des mesures en conséquence.

[30121]

No. 253.

Mr. Marling to Sir Edward Grey.—(Received August 18.)

(No. 331.)

(Telegraphic.) P.

Gulahek, August 18, 1910.

OIL company's proposed loan to Persian Government.

With reference to your telegram No. 240 of the 17th August and to my telegram No. 329 of same date.

In my above-mentioned telegram, what I desired to suggest was that the surplus of the revenue from the southern customs is very small, and if it is further burdened with the loan for which the Strathcona group are negotiating it could not provide any security for the service of joint advance from the two Governments.

[30122]

No. 254.

Mr. Marling to Sir Edward Grey.—(Received August 18.)

(No. 332.)

(Telegraphic.) P.

Gulahek, August 18, 1910.

OIL company's proposed loan to Persian Government.

With reference to your telegram No. 243 of the 17th August, I have the honour to point out that Persian Government are greatly in need of money, but they are prevented from obtaining any loan until the arrangement for the conversion of debts to the Banque d'Escompte et des Prêts has been concluded. M. Poklewski hopes to turn this circumstance to account in order to expedite settlement of conversion.

[30103]

No. 255.

Sir Edward Grey to Mr. O'Beirne.

(No. 449.)

(Telegraphic.) P.

Foreign Office, August 18, 1910.

FOREIGN advisers and instructors for Persian Government.

Please see your telegram No. 223 of the 15th instant.

I agree with the Russian Government in their view that it might be conveyed to the Persian Government in a friendly and unofficial manner that the two Governments welcome the news, which has reached them indirectly, that the Persian Government intend to employ foreigners as instructors, &c.; that it might be suggested that it would be in Persian Government's own interest, and would obviate international jealousies and interference by the large Powers, were application to be made to the Governments of the smaller Powers, such as Denmark and Holland, the posts in the Ministry of Finance to be filled by Belgians under the direction of M. Bizot, with Danes and Dutchmen instead of Austrians and Italians in other departments.

I have told Count Benckendorff of this, but you should ask whether the Russian Government concur in the proposed communication, and add that we have heard from the Italian Government that an intimation has been received by them from the Persian Government that Italians will probably be asked for as gendarmerie instructors. The Italian Government enquire whether Great Britain and Russia would have any objection, and will not reply to the Persian Government till they hear from us.

I propose to answer immediately, in order that the reply may reach the Italian Government, if possible, before the two representatives at Tehran approach the Persian Government. I should say that we are grateful to the Italian Government for their friendly and courteous proceeding in consulting us prior to returning an answer to the Persian intimation, but that we would esteem it a favour if the Italian Government could decline the application, since its acceptance would put us in an embarrassing position, in view of our advice to Persian Government only to employ subjects of smaller Powers, in order to avoid international jealousies and competition.

Please ascertain at once whether Russian Government concur in terms of this reply.

[30103]

No. 256.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and, with reference to his Excellency's conversation of the 15th instant with Mr. Mallet on the subject of the proposed engagement by the Persian Government of foreign officials for the reorganisation of various departments of the administration, has the honour to state that His Majesty's Government share the opinion of the Russian Government, that it would be well to instruct the representatives of the two Powers at Tehran to declare that their Governments have learnt from an indirect source of this intention, which is a subject of satisfaction to them, and to suggest that the Governments of the smaller European Powers should be approached with the request to recommend persons suitable for the work, a course whereby the intervention of the greater Powers would be avoided and the danger of arousing international jealousies removed. The representatives might

[1738]

3 D

add a proposal that Belgian subjects should be engaged for service in the Ministry of Finance under the French financial adviser, and Danish or Netherland subjects in other departments instead of Austrians and Italians.

His Majesty's chargé d'affaires at St. Petersburg has received telegraphic instructions to ask the concurrence of the Russian Government in this communication, and to state that the Italian Government have informed His Majesty's Government that they have received from the Persian Government an intimation of their intention to apply for the loan of Italian subjects to undertake the reorganisation of the gendarmerie, but that, before returning a reply to this request, they would be glad to learn whether Great Britain and Russia have any objection to compliance.

To this communication His Majesty's Government would propose to return an immediate reply, to the effect that the two Governments are grateful to the Italian Government for their friendly and courteous action in making it, but that the engagement of Italian subjects in the proposed capacity would place the two Powers in a most difficult position, in view of the fact that they have urged the Persian Government, for the reasons given above, to seek the officials whom they require among the subjects of the smaller Powers.

Mr. O'Boirne has been told, in addition, that His Majesty's Government are anxious that the reply of the Russian Government should be, as far as possible, expedited, since it appears desirable that a reply should be returned to the Italian Government before the British and Russian representatives make any communication at Tehran.

Foreign Office, August 18, 1910.

[29417]

No. 257.

Mr. Mallet to Baron Gericke.

My dear Minister,

Foreign Office, August 18, 1910.

IN the course of our conversation on the 5th August on the subject of the Karun irrigation scheme, you told me that M. van Roggen had approached Mr. Lynch with reference to this question, and had been informed by him that it would be necessary, in order to carry out the project, to obtain a concession from the Persian Government, and that, as it was certain that the Persian Medjliss would give no concession to a British subject, it would have to be obtained in the name of a Netherland subject. You added that M. van Roggen proposed to go himself to Mohammerah and arrange matters with the Sheikh. I replied that I concurred as to the necessity of a concession, and added that any communication with the Sheikh must be made through His Majesty's Government.

I have informed Sir Edward Grey of what passed between us on the occasion referred to, and am authorised by him to say how highly he appreciates the loyal attitude adopted by your Government in this matter, and to explain to you the standpoint of His Majesty's Government with equal frankness.

In May of last year the Sheikh of Mohammerah made to His Majesty's Government a proposal that, as regards that portion of the proposed irrigation works depending on the construction of a dam at Ahwaz, they should help him to induce the Persian Government to grant a concession to him in his name only, on which he would engage to depend solely on British assistance. As regards such minor works as would be independent of any dam at Ahwaz, he stated that he was prepared to undertake schemes of that nature himself without reference to the Persian Government, giving priority to British concessionnaires recommended by His Majesty's Government, and applying to Great Britain for any external help of a financial or expert nature which he might require.

In the following month, His Majesty's Government informed the Sheikh in reply that they took note of his declarations, both as regards the concession for works depending on the Ahwaz dam and the minor operations, and that they would give him their support and approval in his application for a concession for the construction of the dam when the opportune moment arrived for such a step.

In view of the fact that the Sheikh desires the concession for himself, as shown by the above declarations, His Majesty's Government would find themselves obliged to oppose the grant of it to a Netherland company; but when the Sheikh is ready to act, and the moment appears opportune for him to do so, they will be prepared to advise him to admit a share of Netherland capital—up to, let us say, one-fourth of the whole.

Sir E. Grey hopes that this proposal (which, he begs, may be considered as given for the confidential information of the Netherland Government, and not for communication to capitalists who may have been approached by M. van Roggen) may be considered to offer a basis for a satisfactory solution of the question.

I may add that the question of an opportune moment for an application to the Persian Government will eventually have to be considered, and that, in this connection, it appears from expert opinions, which have been received here, that, as the Sheikh's own date groves on the Shalt-el-Arab at present depend for water almost entirely on what they receive from the Karun, serious injury would be inflicted on the trees if they were deprived of this supply before irrigation from the Tigris and Euphrates is undertaken. Such deprivation would apparently result from the construction of a dam at Ahwaz, while, on the other hand, the trees cannot, as far as His Majesty's Government's present information goes, receive water from the Tigris and Euphrates till the scheme for utilising those rivers for irrigation purposes has been carried out.

Yours, &c.

LOUIS MALLET.

[30345]

No. 258.

M. Isvolsky to Count Benckendorff.—(Communicated to Foreign Office, August 19, 1910.)

L'AMBASSADEUR d'Italie m'a fait part de l'intention du Gouvernement du Schah d'inviter des instructeurs italiens pour la gendarmerie et s'informa quel serait notre point de vue dans cette affaire.

Je lui répondis que le désir du Gouvernement persan était très compréhensible, les Persans ne pouvant pas ignorer les résultats excellents acquis par les Italiens dans l'instruction de la gendarmerie macédonienne, et que nous n'aurions en principe absolument rien contre des instructeurs de gendarmerie italiens en Perse, l'Italie ne poursuivant dans ce pays aucun but politique.

En même temps, je lui ai fait observer tout confidentiellement que l'invitation des instructeurs italiens ne manquerait pas en toute probabilité d'entraîner l'invitation comme instructeurs de sujets d'autres Grandes Puissances, par exemple, de l'Allemagne ou de l'Autriche, ce qui ne pourrait en aucun cas nous être indifférent.

Nous aurions donc préféré que les Persans invitassent pour aider au travail de la réorganisation de leur administration et de leur police des sujets de Puissances secondaires.

L'Ambassadeur m'ayant demandé ensuite comment nous envisagions l'invitation éventuelle en Perse d'employés financiers français je lui répondis que l'idée en a été donnée aux Persans par M. Bizot, qui désirait, très naturellement, choisir ses aides parmi ses compatriotes, et que, de notre côté, nous n'avions nullement donné notre appui à ce plan, les fonctions d'employés étrangers au Ministère des Finances pouvant, d'après notre opinion, être données à des sujets de Puissances secondaires.

[30181]

No. 259.

India Office to Foreign Office.—(Received August 19.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, with reference to the letter from the India Office, dated the 18th May, 1910, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 21st July, 1910, relative to the warning recently administered to the editor of the "Habul Matin."

India Office, August 18, 1910.

Enclosure 1 in No. 259.

Government of Bengal to Government of India.

(Confidential.)

Sir,

Darjeeling, July 8-9, 1910.

IN continuation of my letter dated the 21st May, 1910, I am directed to submit, for the information of the Government of India, a copy of a letter, dated the 29th June, which has been received from the editor of the "Namai-Maqaddas-Hablul Matin" in reply to the warning that was recently administered to him for certain objectionable articles which appeared in his newspaper. I am to add that the lieutenant-governor acquits the editor of any intention to offend.

I have, &c.

E. V. LEVINGE,
*Officiating Chief Secretary to the Government
 of Bengal.*

Enclosure 2 in No. 259.

Seyyid Jalaluddin-al-Hussaini to Government of Bengal.

Sir,

Calcutta, June 29, 1910.

I HAVE the honour to acknowledge the receipt of your confidential communication, dated the 21st May, 1910, and, in reply, I beg to submit that the exception which has been taken by Government in respect of the tone of the three articles in the "Hablul Matin" of the 14th March, 1910, is probably attributable to the inadequate rendering of those articles into English, and to the consequent misconception of their true significance. If, however, in the heat of the moment and in the zeal for the support of my contention I have allowed to go in some expressions which had better been avoided, I am sincerely sorry for the same.

I have been conducting the "Hablul Matin" on the one and the same policy—regeneration of Persia—for the last eighteen years; but I am proud to say that I have not been misunderstood in my aim and object, which I have constantly kept in view in editing that paper. Nothing can, therefore, be a greater source of misfortune and humiliation to me than the unfavourable impression which my writing may produce on the mind of Government officials, for I am devoted to the British Government, which is the champion of good government in every country and among all nations.

It is a well-known fact that the principal policy which governs the conduct and destiny of the "Hablul Matin" is patriotism for Persia—my dear country—whose regeneration is dearer to me than life itself. The aim and object of the "Hablul Matin" are therefore the welfare of Persia, and not to make agitation and create bitterness of feelings. This is sufficiently corroborated by the fact that there was no occasion for Government to say anything against the policy of "Hablul Matin." On the other hand, Government practically approved of its policy by allowing it to issue regularly for the last eighteen years from the capital of its great dependency.

As for the intimation conveyed in your communication under reply regarding my removal from India, I must beg your permission to say that I am so firmly convinced of the deep-rooted aversion of the British nation and the British Government to suppress a well-meaning journal, that a day will ever come when I will be told to leave the land of my happy sojourn for advocating the cause of my country; but if, God forbid, such a day ever comes, I beg to assure you that I will never allow my gratefulness for the peace and freedom I have enjoyed under British Government to be tarnished by uncharitable thoughts to the British rule, and shall leave this country for another land, where I can pursue the course which is the object of my life.

Hoping you will pardon me for encroaching on your valuable time by this somewhat lengthy communication, I have, &c.

JALALUDDIN-AL-RUSSAINI.

[30160]

No. 260.

India Office to Foreign Office.—(Received August 19.)

Sir,

India Office, August 18, 1910.

WITH reference to my letter of the 9th June last, I am directed by the Secretary of State for India to forward, for such action as the Secretary of State for Foreign Affairs may consider desirable, copy of a telegram that has been received from the Government of India regarding the defences of the consulate buildings in Southern Persia.

I am, &c.

R. RITCHIE.

Enclosure in No. 260.

Government of India to Viscount Morley.

(Telegraphic.) P.

August 13, 1910.

PLEASE refer to your telegram of the 23rd June.

Our officers are being consulted in regard to measures for defence of consulate buildings under Government of India. As regards those at Ispahan and Shiraz, we suggest enquiry should be addressed to Minister at Tehran.

[30243]

No. 261.

Mr. O'Beirne to Sir Edward Grey.—(Received August 19.)

(No. 229.)

(Telegraphic.) P.

St. Petersburg, August 19, 1910.

YOUR telegram No. 449 of the 18th August.

Engagement of foreign advisers by the Persian Government.

Acting Minister of Foreign Affairs has informed me that he agrees to the proposal that an intimation in the sense suggested should be made to the Persian Government. He is instructing M. Poklewski accordingly.

A communication similar to that made in London was made by the Italian Ambassador here. M. Sazonow agrees to reply to the Italian Government as you suggest, and the Russian representative in Rome will be instructed accordingly.

[30243]

No. 262.

Sir Edward Grey to Sir G. Barclay.

(No. 245.)

(Telegraphic.) P.

Foreign Office, August 19, 1910.

FOREIGN assistants.

See St. Petersburg telegram No. 229 of to-day and my telegram No. 449 of yesterday to St. Petersburg.

You should concert with M. Poklewsky with a view to make to Persian Government a communication in sense indicated in latter telegram.

[30114]

No. 263.

Sir Edward Grey to Sir R. Rodd.

(No. 101.)

Sir,

Foreign Office, August 19, 1910.

THE Italian Ambassador called at this Office on the 15th instant and informed Mr. Mallet that the Italian Minister for Foreign Affairs had received information from Persia that the Persian Government proposed to ask the Italian Government for the loan of some Italian subjects to reorganise the Persian gendarmerie.

Mr. Mallet read to the Marquis Imperiali the part of Mr. O'Beirne's telegram No. 223 of the 15th instant bearing on this point, and his Excellency said that the

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3 E

version of the proposal given in that message was probably the correct one, namely, that Italian officials were to reorganise the Ministry of the Interior and the gendarmerie. He added that the Marquis di San Giuliano would not reply to the Persian Government without first ascertaining whether the proposal was agreeable to His Majesty's and the Russian Governments.

Mr. Mallet thanked his Excellency and said that he would lay the matter before me.

Your Excellency will find in my telegram No. 449 of yesterday to Mr. O'Beirne the terms of the reply, which, with the concurrence of the Russian Government, I propose to return to the Italian Ambassador's communication.

I am, &c.
E. GREY.

[30243]

No. 264.

Sir Edward Grey to the Marquis Imperiali.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Italian Ambassador, and has the honour to refer to his Excellency's conversation of the 15th instant with Mr. Mallet on the subject of the engagement of European officials for the reorganisation of certain departments of the Persian administration.

The Marquis Imperiali stated on that occasion that the Italian Government had received from the Persian Government an intimation of their intention to apply for the loan of Italian subjects to undertake the reorganisation of the gendarmerie, but that, before returning a reply to this request, they would be glad to learn whether Great Britain and Russia had any objection to compliance.

Sir E. Grey has the honour to express the thanks of His Majesty's Government for the friendly and courteous action of the Italian Government in making this communication, and to state in reply thereto that the engagement of Italian subjects in the proposed capacity would place the two Powers in a most difficult position in view of the fact that they have urged the Persian Government, in order to avoid the danger of arousing international jealousies, to seek the officials whom they require for the reorganisation of their administration among the subjects of the smaller Powers.

Foreign Office, August 19, 1910.

[30122]

No. 265.

Mr. Norman to Mr. C. Greenway.

Dear Mr. Greenway,

Foreign Office, August 19, 1910.

IN the course of our conversation over the telephone yesterday you read over to me a telegram from Mr. Preece to the effect that the Russians at Tehran were most anxious that the transaction of your group with the Persian Government should be concluded, as this would greatly assist the Russian Government in carrying through the conversion of the Persian Government's debt to the Russian Bank.

I told you that our information was to the effect that the view held at St. Petersburg, at any rate, was precisely the contrary, and I promised that the matter should be cleared up.

With the object of doing this we telegraphed to Tehran, and have now received a reply stating that the Russian Minister there hopes to use as a lever to expedite the conversion of the debt the fact that, though the Persian Government are badly in need of money, they are precluded from obtaining it till after that conversion is an accomplished fact.

It would therefore appear that Mr. Preece has misunderstood the attitude of M. Poklewski.

Believe me, &c.
H. NORMAN.

[27228]

No. 266.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, August 19, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 26th ultimo relative to the question of the shipment of red oxide from Hormuz, enclosing contracts signed by your firm, Muin-ut-Tujjar, and Messrs. Andrew Weir and Co. on the 4th December, 1908, on this subject.

With reference to the last paragraph of that communication, dealing with the claims put forward by yourselves and Messrs. Weir in connection with this question, Sir E. Grey observes that items 1 and 2 of the latter consist of the gross amount which they reckon that they would have received for certain oxide lying at Avonmouth and Nordenham, in return for the payment of which sum they are prepared to hand over the mineral to the Persian Government.

It appears to Sir E. Grey that the basis on which this part of the claim is made out is an incorrect one. Messrs. Weir hold the oxide under an agreement which they consider to be valid, and with which, they contend, the Persian Government had no right to interfere, and he is of opinion that, in these circumstances, they should realise the mineral at once, and claim the difference between the sum so obtained and the amount which would have been theirs if the contract had been allowed to stand and their monopoly had been maintained. Messrs. Weir would, of course, have to furnish proof of the correctness of the calculation by which they fixed the latter sum, and, if the price of oxide has fallen, to show that this is due to the intrusion of another party into the Hormuz trade, and not merely to the ordinary fluctuation of the market. If this method of fixation is adopted, it will of course be impossible to draw up this portion of the claim in its final shape till the 6,583 tons of oxide has been sold and the extent of the firm's losses established.

Sir E. Grey has no observations to offer on the third item of the claim, but, in accepting the figure at which it is put, assumes that its justice can be established by evidence in the event of its becoming necessary to submit the claim to the decision of some tribunal, which, he notes, you have, in your letter under reply, expressed your willingness to do.

As regards your own claim, Sir E. Grey perceives that the first of the two items of which it is composed is on account of commission as agents on the undelivered portion of the 18,000 tons of oxide, which form the subject of the contract, at the rate of 5 per cent.

Sir E. Grey is unable to find in any of the documents forwarded by you any clause to show that you are entitled to a commission as agents in connection with this business or what the amount of your remuneration was to be.

He is accordingly of opinion that, if Muin agreed to pay you such a commission, you must look to him to observe his undertaking, and, in the event of his failure to do so, exhaust your legal remedies before appealing for diplomatic support. It appears to Sir E. Grey that you are equally entitled to sue Muin in respect of this item, whether his title to the concession is good or bad, because the provision at the beginning of the second supplemental agreement does not affect action by you against him.

As regards the second item of your claim, Sir E. Grey is unable to find in the documents submitted to him any clause in virtue of which it is included, the 31,000 tons in question being apparently entirely outside the contract on the strength of which the claim is made.

I am accordingly to suggest that you should explain in greater detail the grounds on which you consider yourself entitled to the sum in question.

I am to add that the contracts enclosed in your letter under reply will be returned to you in due course.

I am, &c.
LOUIS MALLET.

[30372]

No. 267.

Sir G. Louthier to Sir Edward Grey.—(Received August 20.)

(No. 163.)

(Telegraphic.) P.

Constantinople, August 20, 1910.

TURCO-PERSIAN frontier.

The Minister for Foreign Affairs informs me that, in view of Russian susceptibilities, he will not send the reinforcements which have been asked for on account of the disorders by the Ottoman consuls at Soujboulak and at Urumia.

This telegram has been repeated to His Majesty's representative at Tehran.

[18408]

No. 268.

Sir Edward Grey to Sir G. Barclay.

(No. 135.)

Sir,

Foreign Office, August 20, 1910.

I TRANSMIT to you herewith an article which recently appeared in the "Times" newspaper* relative to the effect on British trade with Persia of the state of affairs at present prevailing in the southern portion of that country, together with a leading article† commenting thereon, and a letter contributed by Mr. H. F. B. Lynch to a subsequent issue† of the same journal on this subject.

I infer from observations made by you during your recent stay in this country on leave, that you share the doubts which have been expressed by His Majesty's Ambassador at St. Petersburg as to whether it would be possible to induce the Russian Government to lend their support to His Majesty's Government in attempts to prevail on the Persian Government to consent to a general revision of the Persian customs tariff, and that you are accordingly of opinion that this question cannot profitably be raised, at any rate, at present.

As regards the particular question of the reduction of the export duty on wheat and the import duty on tea, respecting which British traders have complained, I would refer you to Mr. Marling's despatch No. 13, Commercial, of the 29th April, in which he expresses the opinion that there is at present no chance of obtaining any modification of the latter, and I presume that the considerations which he adduces as reasons for this view would equally apply to the case of the former. Circumstances may, however, arise which would deprive Mr. Marling's objections of much of their strength, and I authorise you, if in your judgment the situation should alter in this direction, to discuss the question with your Russian colleague, and, if he agrees, to press the matter on the attention of the Persian Government, whose interests would undoubtedly be served by such a reduction.

As regards the best method to be adopted in dealing with cases of fraudulent bankruptcy among Persian traders, resulting in serious loss to British commerce, you proposed, while in England, that His Majesty's Legation should, from time to time, present to the Persian Government a list of cases in which, owing either to the non-execution of judgments or to other causes, there has been a denial of justice, and should hold them responsible. I authorise you, should you see fit, to act on this suggestion.

As regards the state of the southern roads, which is also alluded to in this article, it is unnecessary to discuss it in this despatch, since, as you are aware, the question of improving their condition is already being discussed.

I am, &c.

E. GREY.

[29724]

No. 269.

Foreign Office to Messrs. F. C. Strick and Co.

Gentlemen,

Foreign Office, August 20, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge with thanks the receipt of your letter of the 13th instant, enclosing copies of correspondence exchanged

* Of May 17, 1910 (not printed).

† Of May 23, 1910 (not printed).

with your agent at Tehran relative to the question of the shipment of red oxide from Hormuz.

As regards Mr. Brown's observations as to the bearing on the case of the supplemental contract, copy of which forms the enclosure in his letter, I am to observe that the first article of it presumably only relieves Muin-at-Tujjar of all responsibility towards Messrs. Andrew Weir and Co. in the event of unjustifiable interference with his rights by the Persian Government, and does not invalidate a claim made against him by that firm and Messrs. Ellinger in the event of proof being forthcoming that he had, in fact, no rights and was guilty of fraud in making the contract at all.

As regards the protest made by Messrs. Weir and Ellinger against the action of the Persian Government in selling oxide to your firm, I am to observe that this step was taken before those firms had any reason to doubt Muin's good faith and his right to make the contracts, and while, therefore, they still believed that the Persian Government were violating his rights.

I am, &c.

LOUIS MALLET.

[31304]

No. 270.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 139.)

Sir,

Gulahak, July 29, 1910.

IN your despatch No. 153 of the 17th November last you were so good as to inform Sir G. Barclay that his proposal to maintain the Shiraz consular escort at its present increased strength till the end of the year 1910 was sanctioned.

I have now received a despatch from His Majesty's acting consul at Shiraz, copy of which I have the honour to enclose, expressing the hope that no reduction in the consular escort will be made at the end of this year.

I entirely concur in the opinion expressed by Mr. Smart, and, as I see from the confidential print which has just reached me ("Persia," June 9, Section 2) that Viscount Morley agrees with the Government of India that the reduction of the escort is not desirable, I suggest that I may be authorised to inform Mr. Smart that the escort will be maintained at its present strength pending a more settled state of affairs in the province of Fars.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 270.

Acting Consul Smart to Mr. Marling.

(No. 32.)

Sir,

Shiraz, July 6, 1910.

WITH reference to Sir G. Barclay's despatch No. 13 of the 15th December last, I venture to hope that no reduction in my escort is contemplated for the end of this year. The sepoy and marine detachment is, of course, of no use for escort purposes, and the eleven sowars at present available for escort duty are less than might be required at any moment.

I have, &c.

W. A. SMART.

[31306]

No. 271.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 141.)

Sir,

Gulahak, July 31, 1910.

IN obedience to the instructions contained in your telegram No. 224 of the 20th July, I have the honour to enclose translation of the note which His Highness the Regent addressed to His late Majesty King Edward announcing the appointment of His Royal Highness Mohammad Hassan Mirza as Heir Presumptive to the Throne of Persia.

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As I have had the honour to report—see my telegram No. 298 of the 24th July—the Persian Government do not expect any recognition of the appointment to be made, but should His Majesty's Government still consider that their special position in Persia calls for some expression on their part, I venture to suggest that it should be embodied in the Royal letter of acknowledgment.

I have, &c.
CHARLES M. MARLING.

Enclosure in No. 271.

Letter addressed to King George V by Azad-ul-Mulk.

(Translation.)

My Glorious and August Brother,

WHEREAS the appointment of the Heir Apparent and a successor to the Crown and Throne is one of the good customs of the great Kings of Persia, and is also incumbent on our Royal person, we have, in accordance with the rules laid down by our Royal ancestors and in conformity with the exigencies of the country, appointed our dearest brother, His Royal Highness Mohammad Hassan Mirza, as Heir to the Throne of Persia pending the grant of a son to our Royal person.

In view of the friendly relations existing between the Governments of Great Britain and Persia, and in view of the amicable sentiments which we always entertain towards your Majesty, we have taken this opportunity to inform your Majesty of the above fact, with the hope that, by your Majesty's concurrence with our sacred intentions and by the will of the Almighty, the friendship between the two Governments may reach its highest point.

I take, &c.
In the name of His Imperial Majesty Sultan Ahmad Shah, Kajar,
AZAD-UL-MULK, *Regent.*

In the Palace at Tehran, month of Safar 1328,
the first year of our reign.

[30508]

No. 272.

Mr. Marling to Sir Edward Grey.—(Received August 22.)

(No. 144.)

Sir,

Gulshah, August 4, 1910.

I CALLED on the Persian Minister for Foreign Affairs on the 1st instant and enquired what his policy, about which only a very vague statement had been made in the Medjliss, would be, and urged upon him the necessity of putting an end to the insane anti-Russian agitations of the past few months, and of bringing about good relations between St. Petersburg and Tehran. I was afraid he would find his own personal position would make the task rather difficult, for, whether rightly or wrongly, he was perhaps more than anyone else identified with the policy of the party that had fomented those agitations which had had the double effect of preventing the late Cabinet from establishing good relations with Russia, and of finally ousting Sipahdar over Russian questions. Would he now, as he assured me was his intention, reverse the policy of the party that had placed him in office?

Hussein Kuli Khan assured me that it would be his most earnest endeavour to place the relations of Persia and Russia on a satisfactory footing, and he was quite confident that he would be able to check the violence of the local press; but there was one pressing question on which it would be almost impossible for him to yield, i.e., the dismissal of Mukhber-es-Sultaneh from the governorship of Tabreez. Then, too, there was the withdrawal of the Russian troops, which was the chief cause of animosity against Russia; did I think that this could be accomplished? I said that as regards Mukhber-es-Sultaneh, I did not see where the difficulty lay; the former Cabinet had given the Russian Minister a written promise that he would be recalled, and the necessity of fulfilling official engagements would be a sufficient defence for the present Government if attacked in the Medjliss for giving way on the point. As for the troops M. Poklewski had, as his Excellency must be aware, as long ago as the end of May, intimated that if the Persian Government would fulfil the assurances they had given him on a couple of questions of quite secondary importance, he would undertake

to withdraw the detachment at Kazvin. Thanks to the efforts of the party with which he, Hussein Kuli Khan, was identified, the late Government had not been able to respond to M. Poklewski's overtures, but I believed the offer was still open and advantage should be taken of it. The Nawab said that there would be no difficulty about one of M. Poklewski's conditions, viz., the extension of the Karadjadaghi Mining Company's period for exploration, but the state of public opinion made it impossible for the Government to agree to the Russian Road Company placing motor cars on the Resht-Tehran road. He would be grateful if I would explain this to the Russian Minister. Continuing, his Excellency said that the question of the Cossack brigade had also been mooted in this connection, but he was of opinion that it was best to leave matters as they stood. What the Russians required was that in all matters concerning the internal organisation of the brigade, promotions, punishments, dismissals, &c., nothing should be done except on the recommendation of the commandant. This was reasonable enough so long as it was understood that the brigade as a whole and its commander were subordinate to the orders of the Minister of War as regards the use to be made of the force. I said I was very glad to learn that his Excellency took that view of the question, and said I would of course tell M. Poklewski what he had said about the motor car question; but for myself I could not understand the reluctance of the Persian Government to agree to the establishment of a service which would obviously be of benefit to the country, or, for that matter, on what grounds the Persian Government considered themselves entitled to prohibit the use of one kind of vehicle rather than another. However, it was not a question on which I was competent to offer any opinion; what I wished to urge was that if the Persian Government could not comply with the wishes of the Russian Legation on this point, they should offer satisfaction on some other point. Probably the best way would be to discuss all the main points at issue, such as the recall of Mukhber-es-Sultaneh, the withdrawal of the troops, and try to find a general adjustment. His Excellency could be quite sure that any reasonable proposals would be received by M. Poklewski in the most conciliatory spirit, but there must be give as well as take, and his Excellency must not hope that appeals to the necessity for conciliating public opinion in this country would always prevail; public opinion in Russia had to be considered by the Russian Government, and his Excellency should ask himself what sort of effect would be produced by the news that the Russian consul in Kermanshah had been fired on by a Persian soldier. Hussein Kuli Khan repeated his assurance that he would neglect nothing that could tend towards settling pending questions, and especially that of the withdrawal of the Russian troops, and went on to say that the Persian Government had no intention whatever of introducing any other Power on the stage of Persian politics, as they were quite aware that if they did so they would be only offering themselves as a catspaw, with disastrous results to themselves. I said that his declaration gave me the greatest pleasure, for the two Powers had felt some uneasiness on that score, but that now that their apprehensions on this point were relieved, there was nothing in the way of their coming forward to assist the Persian Government in the work of reorganisation to which both were so anxious to contribute. The Nawab said that the Cabinet had stated in their declaration of policy to the Medjliss that they intended to proceed at once to engage foreign functionaries, which he hoped would convince us of the sincerity of their wish for reform, and then asked if the two Powers would give financial assistance, and, if so, on what conditions. I said that I could assure him unofficially that no political conditions whatever would be attached to an advance, and that, as regards interest, there was hope that the terms would be easy; the difficulty that I foresaw would be that of security, for from such examination as I had been able to make it seemed to me that the Persian Government would be hard put to it to offer anything that a business man would consider satisfactory. However, I did not think that even this would be a serious difficulty, as the chief desire of the two Powers was to give proof of their readiness to assist Persia.

(Confidential.)

I think that I succeeded in mitigating, at least for the moment, the Nawab's mistrust of Russian motives. His Excellency is, I am sure, ready to admit M. Poklewski's personal goodwill, but he is less than half convinced of the sincerity of the Russian Government's professions of friendliness, while, as for the Russian officials in Persia, he regards the great majority of them as "agents provocateurs," whose sole business is to provide excuses for the retention of the Russian troops. This was very noticeable in our conversation, during which Hussein Kuli Khan was constantly endeavouring to discuss the various recent "Russian incidents." In every case he dismissed the

Russian account as utterly unworthy of credence, and would not admit any variation from the Persian version. I was obliged to tell him that in cases where I had the independent but friendly evidence of a British consular officer my information invariably corroborated the Russian account in essentials, and therefore I thought that his Excellency would do well not to put too implicit reliance on Persian reports. I fear, however, that the Minister's confidence in his official information—so remarkable in an official who cannot but have had a large experience in his countrymen's inventive talents—was not in the least shaken, and in this case I fear that discussion of incidents between him and M. Poklewski cannot fail to be difficult.

I have, &c.

CHARLES M. MARLING.

[31489]

No. 273.

Lieutenant-Colonel Cox to Sir Edward Grey.—(Received August 29.)

(No. 5. Confidential.)

Sir,

Bushire, August 7, 1910.

I HAVE the honour to acknowledge the receipt of Foreign Office despatch No. 1, dated the 27th June, 1910, in connection with the Turco-Persian boundary question as affecting Mohammerah.

A copy has been duly forwarded to His Majesty's acting consul, Mohammerah, for information.

With reference to the concluding clause of the third paragraph of Mr. Mallet's communication, I venture to explain that your despatch No. 146, dated the 27th October last, to His Majesty's Minister, Tehran, was not actually cited or referred to by Lieutenant Wilson or myself for the reason that only the purport, and not the number or date thereof, was communicated to me in legation despatch No. 20 of the 6th December, to which my communication of the 8th May was a reply.

The terms of it, however, were by no means overlooked by either of us. On the contrary, we clearly understood from Sir George Barclay that the mediating commissioners' map of 1850 had been communicated to the Porte, and that His Majesty's Government considered that, except after consultation with the Russian Government, and as the result of an agreement with the Turkish Government, they could not support any line but that of 1850.

The fact was, that at the time of our previous representations of July 1909, we were not positive as to which precisely was the mediating commissioners' map of 1850, but having been enlightened on this point, and the aspect of the line therein traced (so far as it could be determined from the small-scale reduction at our disposal) appearing to be extremely inconvenient from a Mohammerah point of view, we ventured to draw attention to this fact, and to urge a reconsideration of the decision come to by His Majesty's Government in 1908, should it be at all feasible to recede from it on the score of expediency.

The following reasonings underlay our representation (if I may be pardoned for retailing them):—

It is true that a copy of the map of 1850 was communicated to the Porte, but they did not accept the line at the time. No mention was made of it in the identic map of 1869, nor was the commission of 1850 even referred to in the accompanying declaration of that year. Evidence to show that it was upheld by the commission of 1876 does not appear to be in any way definitive, and, lastly, it would appear that the Porte have not been actually apprised of the attitude of His Majesty's Government as indicated in Foreign Office despatch No. 75 of the 25th February, 1908, to His Majesty's Ambassador at Constantinople. In view, therefore, of these considerations, we do not seem, *vis-à-vis* the Porte, to be irrevocably committed as yet to father the line of 1850. Now that we realise (as far as it is possible to judge from the small-scale map available to us) what that line apparently is, and see that the enforcement of it would mean a highly inconvenient and impracticable alteration of the boundary locally accepted and acted on for many years past, and would produce a most complicated situation, very prejudicial to our interests with the Sheikh of Mohammerah, we beg to enquire if there is no possibility of devising a way of escape from it in anticipation of the raising of the issue.

I learn from Mr. Mallet's present letter that His Majesty's Government, after reconsideration of the question, hold that there is not, and that they feel obliged to adhere to the decision intimated to me in Sir George Barclay's despatch of the 6th December, 1909.

There are, however, one or two points brought out by your despatch under reply upon which I venture to touch before concluding.

It is noted that in the records of His Majesty's Government neither the original nor any copy of the mediating commissioners' map of 1850 exists, the original having been irrevocably lost before it reached England. The only authentic version of the mediating commissioners' map extant must therefore be the copy communicated to the Porte. Is it known for certain whether that document was a replica or a reduction of the original, and whether it still exists in the archives of the Porte, and could be produced by them?

Again, short of the production by the Turks of the copy given to them, apparently all we have to depend upon for an indication of the correct boundary as recommended by the commissioners is the document issued as Appendix B to Mr. Parker's memorandum of December 1906. I beg respectfully to enquire what is the precise value and authority of this document, either as to the correct position of the geographical features, which are necessarily very sparsely shown on such a small-scale map, or as to the position of the mediating commissioners' line in relation to those features?

Secondly, as regards the fort of Sheikh Jahir, understood to have been demolished in 1850 by order of the commissioners, I have asked Lieutenant Wilson to see what information he can obtain quietly in Mohammerah on this point, but the records at Mohammerah are meagre and incomplete, and if there is no objection I beg that I may be favoured with copies of any documents in possession of His Majesty's Foreign Office either bearing on the precise site of the structure or giving details of what passed in connection with its destruction.

I trust that, in view of the importance attaching to the subject locally, I shall be pardoned for troubling you with these enquiries.

A copy of this communication is being sent to His Majesty's chargé d'affaires, Tehran, for information.

I have, &c.

P. Z. COX,

*British Resident in the Persian Gulf and
Consul-General for Fars, &c.*

[30410]

No. 274.

Sir E. Goschen to Sir Edward Grey.—(Received August 22.)

(No. 227.)

Sir,

Berlin, August 15, 1910.

THE German semi-official newspapers have expressed strong approval of the proceedings of the German Minister at Tehran during the recent disturbances in that town, and draw unfavourable comparisons between his humane and well-intentioned action and the indifference of his English and Russian colleagues. I venture, however, to express some doubt as to whether the approval so lavishly bestowed in the semi-official press represents the real views held on this subject by the authorities of the Imperial Foreign Office, who, I have reason to believe, have not unbounded confidence in Count Quadt's discretion. I think rather that they have been forced to adopt their present attitude of unlimited approbation owing to the criticisms of the Russian press, which, as reproduced here, has represented the affair as an abortive German intrigue, the failure of which has covered both the German Minister and the country he represented with ridicule in the eyes of Persia and Europe.

In its weekly review of foreign political events, the "Norddeutsche Allgemeine Zeitung" quotes the report given in the "Times" of the circumstances which led to the conflict between the Government troops and the fedais, and then gives the following account of Count Quadt's proceedings taken from a semi-official Berlin telegram to the "Kölnische Zeitung":—

"Russian and English newspapers consider it fitting to reproach Count Quadt with having unwarrantably interfered in Persian internal affairs. The truth is that on the morning of the day upon which the disturbances took place Count Quadt went into Tehran in order to provide for the safety of the German community. Riding

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3 G

through the town with the laudable object of seeing with his own eyes whether proper measures had been taken for the protection of his countrymen, he came by chance and quite unintentionally upon the garden where Sattar Khan and his people had taken their stand. With the sole idea of avoiding bloodshed, he undertook to carry a message from Sattar Khan to the Persian Government. The communication with which he was charged was of such a nature that, had it been delivered, all danger of a conflict would have been precluded. Unfortunately, however, the firing of a shot led to immediate hostilities and prevented the fedais from carrying out their intention to lay down their arms. It is clear, therefore, that Count Quadt did nothing which could be possibly regarded as an interference in an internal Persian affair, and that he only acted in the cause of humanity. The people who now find fault with his action lay themselves open to the charge of complete indifference as to whether blood was shed or not."

The "Frankfurter Zeitung" reproduces the above, and adds on its own account: "Even the most sensitive national feeling cannot regard an attempt on the part of a foreign diplomatist to render assistance in a difficult situation as an interference in internal affairs, and the ravings of the Russian and British press can only be explained by the selfish and egotistical attitude adopted by the Russian and British Governments in dealing with Persian affairs."

The "Frankfurter Zeitung" adds that, for certain reasons of their own, the Russian and British representatives were extremely anxious that Sattar and Bagher Khan should be put out of the way or, at least rendered harmless, and that therefore it was easy to understand how much they resented the action of their German and Turkish colleagues, action which was within an ace of bringing to naught their carefully planned diplomatic combination.

In conclusion, the "Frankfurter Zeitung" warns the Persian Government that it is only to Governments from whom they expect much that Great Britain and Russia pay court, and that therefore they had better be prudent and take at its proper value the flattery which they are now, no doubt, receiving from the two representatives upon their recent onslaught upon Sattar Khan and his fedais.

I should mention that among the more independent German newspapers there are some who do not share the views of the semi-official press, and who observe that, while Count Quadt's action was doubtless well meant and inspired by humane considerations, it was nevertheless somewhat tactless and indiscreet.

I have, &c.
W. E. GOSCHEN.

[30432]

No. 275.

Sir G. Lowther to Sir Edward Grey.—(Received August 22.)

(No. 578.)

Sir,

Therapia, August 16, 1910.

WITH reference to my despatch No. 546 of the 6th August last, I have the honour to transmit herewith copy of a despatch received from His Majesty's consul at Erzeroum, giving a detailed account of the Turco-Persian frontier incident which recently occurred near Kizil Dize.

The Russian Ambassador here endorses Mr. McGregor's account in all but the part which refers to the Russian consul. His Excellency informs me that the point in dispute between Turkey and Persia lies due south of Bayazid; there are two roads running south of Kizil Dize, of which the most westerly has constituted till now the undisputed boundary. But the Turks have now encroached.

The matter, his Excellency assures me, is too important for the Russians to close their eyes to it, as the place in dispute is close to the point where the three Empires meet. M. Teliarykow has addressed a strongly worded note to Rifaat Pasha insisting on the maintenance in this district of the *status quo*. In reply his Excellency has received verbal assurances from Rifaat Pasha that the *status quo* will be maintained, but so far it has not been re-established, nor have the Persians been allowed to go and reap the crops that were sown by them on the lands from which they have been driven by the Turks.

I have sent a copy of this despatch to Tehran.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 275.

Consul McGregor to Sir G. Lowther.

(No. 54. Confidential.)

Sir,

Erzeroum, August 5, 1910.

WITH reference to my telegram of yesterday's date, I have the honour to report to your Excellency that, although the local authorities display unusual reticence on the subject, it has become known that on the 20th ultimo Turkish troops from Kizil Dize, in the sanjak of Bayazid, advanced into Persian territory, and after an encounter with some Persians (whether soldiers or civilians is not clear) established themselves on the right bank of the Inji Chai, about an hour-and-a-half's march on the Persian side of the frontier.

On the 31st ultimo the Vali of Erzeroum unexpectedly left for Bayazid, having given out that he proposed taking the roundabout route by Khinis, whereas it is now stated that he is proceeding direct to Bayazid with instructions to discuss the incident with the Persian vice-consul in that town. It is also said that "a Russian consul," accompanied by a Cossack escort, had proceeded to the spot, but that he was compelled to abstain from conducting an enquiry, the officer in command of the Turkish troops having declared to him that the matter was one exclusively regarding the Ottoman and Persian authorities.

I called to-day on Daud Khan, the Persian consul-general, who confirmed in its main features the version submitted above, with the exception of the rumoured intervention of a Russian consular officer, and supplemented it by the following details:—

Three years ago a Turco-Persian commission, headed on the Turkish side by Ferik Abuk Ahmet Pasha, fixed as the boundary line in the neighbourhood of Kizil Dize the stream called Inji Chai, and since then no misunderstanding had arisen until about a month ago, when the Mutessarif of Bayazid, on visiting Kizil Dize, received a complaint from some of the inhabitants to the effect that the Persians had been encroaching on Turkish territory on the right bank of the Inji Chai, and had sown crops there. The Mutessarif, without making further enquiry, and either ignoring, or ignorant of, the agreement above mentioned, immediately sent two battalions across the Inji Chai, with the result that a conflict took place in which two Turkish soldiers were killed and one was wounded, the Persians losing four killed and seven wounded. I gather that there were no Persian troops in the locality, and that the opponents of the Turks were merely peasants resisting the incursion into their fields. The Turkish troops are now stationed several miles within Persian territory, and the authorities now refuse to allow the Persian mail to enter Ottoman territory at Kizil Dize, the pretext for this step being that cholera has appeared in Persia. As a matter of fact, however, no ordinary quarantine measures have been prescribed at Kizil Dize, and the action of the Turks in requiring that the mail should be conveyed by way of Van savours of gratuitous provocation.

The Persian consul-general expressed the opinion that, as the Turks were evidently bent on exploiting the present weakness of Persia, the negotiations between the vali and the Persian vice-consul at Bayazid could hardly be other than fruitless, and, judging by the language usually held here by the leading officials and the members of the committee, he has probably good reason for his apprehensions.

I have, &c.

P. J. C. MCGREGOR.

P.S. August 6.—After copying out this despatch I received a message from Daud Khan informing me that, according to a Persian merchant who had just arrived here from Kizil Dize, the Ottoman soldiery were being reinforced, and had violently taken possession of about 200 houses in Persian territory. A squad of Russian Cossacks had also arrived on the spot to protect the Persians.

P. J. C. MCG.

[30618]

No. 276.

Count Benckendorff to Mr. Mallet.—(Received August 22.)

Dear Mr. Mallet,

German Embassy, August 20, 1910.

M. SAZONOW informs me that he has telegraphed to our chargé d'affaires at Rome, the following instructions:—

“Veuillez remercier le Gouvernement italien pour le procédé amical dont il a usé en nous informant de la démarche du Gouvernement persan concernant l'entrée de sujets italiens au service de Perse comme instructeurs. Veuillez aussi lui confirmer que, pour les considérations que j'ai développées à M. Melegari, il nous paraît préférable que ces fonctions ne soient pas confiées aux ressortissants des Grandes Puissances.”

Would you kindly transmit this to Sir Edward Grey?

Yours, &c.

BENCKENDORFF.

[30627]

No. 277.

Mr. Wallace to Mr. Norman.—(Received August 22.)

*Winchester House, Old Broad Street,
London, August 22, 1910.*

Dear Mr. Norman,

IN Mr. Greenway's absence abroad I opened your letter addressed to him, and I have to thank you for giving us the clear exposition of Russia's attitude towards the loan now in contemplation.

Meantime the Persian Government appear to have gone off at a tangent.

On the morning of the 15th I left with Mr. Mallet a copy of Mr. Preece's telegram of the 13th, which we took to be Persia's agreement to the terms put before her by Mr. Preece.

To make the position clear to you I now enclose copies of telegrams:—

C. W. Wallace, London, to J. R. Preece, Tehran, 15th August, 1910.

J. R. Preece, Tehran, to C. W. Wallace, London, 16th August, 1910.

C. W. Wallace, London, to J. R. Preece, Tehran, 16th August, 1910.

C. W. Wallace, London, to J. R. Preece, Tehran, 17th August, 1910.

J. R. Preece, Tehran, to C. W. Wallace, London, 19th August, 1910.

I would also refer to paragraph 3 of your letter to me of the 3rd of this month, which confirms what Mr. Mallet was good enough to say to me on the same subject on the 2nd July, 1910.

I now propose to reply to Mr. Preece that we are not prepared to recede from the position taken up in my telegram to him of the 16th of this month, and that the British Government is ready to acquiesce on the Persian Government's giving us part of the collateral security for the proposed loan, the surplus revenues of the southern customs and of the telegraphs available after prior claims in respect of the advances to which they are already pledged have been met.

I would like to see Mr. Mallet or you, however, for a few minutes before doing so, and, in the hope of seeing one of you, I will call at the Foreign Office on my way to Winchester House at about midday on Tuesday next, the 23rd instant.

I am going up to London on that day for a meeting arranged between some members of my group and solicitors, at 2 P.M. Hence my desire to see you at noon if possible, for unless and until the Persians recede from the attitude described in Mr. Preece's telegram of the 10th it is impossible for me to proceed.

Believe me, &c.

(For C. W. Wallace),

H. S. ASHTON.

Enclosure in No. 277.

Telegrams exchanged between Mr. Wallace, London, and Mr. Preece, Tehran.

(1.)

*Mr. Wallace to Mr. Preece.**August 15, 1910.*

YES; add Persian Government profits and shares as further security, referring to our telegram of the 10th. Foreign Office has telegraphed Russian Government to-day requesting acquiescence our loan. Until reply received, you must do nothing more in connection with.

(2.)

*Mr. Preece to Mr. Wallace.**August 16, 1910.*

REFERRING to your telegram of the 15th: Very good.

Do not anticipate no [*sic*] objection here on the Russian. Most sympathising regards loan, as strong help aiding him getting bank debt consolidated, which they (he) now being engaged in.

Interview yesterday afternoon Persian Government strongly objected to giving any security except Anglo-Persian Oil Company Board of Directors share(s) and profit(s), but may be induced give you second lien on southern customs.

Russian object(s) any interference with the northern and mint. Southern customs in twelve years will be relieved of (from) bank lien (on), and in eighteen of English. Do you agree?

(3.)

*Mr. Wallace to Mr. Preece.**August 16, 1910.*

OUR minimum is first, Persian Government oil shares, royalties, and percentage profits; second, surplus southern customs; third, telegraph; fourth, Persian Government mining shares, royalties, and percentage profits.

(4.)

*Mr. Wallace to Mr. Preece.**August 17, 1910.*

REPLYING to your telegram of the 13th August, we will send in a few days draft agreement and power of attorney. You must await former.

(5.)

*Mr. Preece to Mr. Wallace.**August 19, 1910.*

REPLYING to communication of your telegram of the 16th August, have received following:—

“Have to thank you for the copy telegram from the syndicate regarding security for proposed loan, and beg you will kindly convey to them our reply that of the four securities mentioned the first only—that relating to Persian Government oil share and profit—can be accepted. Question of the Kerman mines and railways for the Persian Government, whether this loan comes off or not, stand as it was, and will remain open until finally arranged by the parties.”

[1738]

3 H

Reason for above is either unwillingness ask two Governments to sanction security of customs and telegraph as they must in accordance with their agreement, or they want them cover future loan from the two Governments, which they will probably ask them for shortly.

[30642]

No. 278.

Sir G. Barclay to Sir Edward Grey.—(Received August 22.)

(No. 334.)

(Telegraphic.) P.

Gulahek, August 22, 1910.

ENGAGEMENT of foreign assistants.

I have the honour to report, with reference to your telegram No. 449 of the 18th August to Mr. O'Beirne, that we shall make a verbal communication in the sense desired. In this connection, however, we venture to point out that if our advice is accepted by the Persian Government, France may very possibly lose the post of Financial Adviser in Persia, up till now held by M. Bizot. M. Bizot, who is at present in France on leave, and whose return is doubtful, was always of opinion that the employment of assistants of another nationality would render the discharge of his functions extremely difficult. I would also recall your attention to the fact that M. Bizot himself recommended that after the seven assistants had been engaged the post of Financial Adviser should be abolished.

[30643]

No. 279.

Mr. O'Beirne to Sir Edward Grey.—(Received August 22.)

(No. 230.)

(Telegraphic.) R.

St. Petersburg, August 22, 1910.

PERSIA: Oil company's loan.

Mr. Marling's telegram No. 332 of 18th August.

Acting Minister for Foreign Affairs has communicated to me the substance of a telegram from the Russian Minister at Tehran stating that, from the point of view of Russian interests, he considers it unquestionably desirable that the loan agreement should be postponed until completion of negotiations respecting conversion of debts to Russian Bank, with which negotiations Persian Government are to proceed one of these days.

[29983]

No. 280.

Sir Edward Grey to Sir G. Barclay.

(No. 246.)

(Telegraphic.) P.

Foreign Office, August 22, 1910.

KERMAN Mines Concession. (See Mr. Marling's telegram No. 328 of the 27th instant.)

Mr. Marling may have overlooked your despatch No. 223 of the 30th December, 1909. Please refer to this and also to correspondence in general regarding Indo-European Telegraph Company's application for improvement of communication between Gulf and Kerman.

Even if Preece's principals consented, and you yourself considered the moment more favourable, we should have to communicate with Russian Government and the Indo-European Telegraph Company, and obtain concurrence of Government of India before supporting him.

[30234]

No. 281.

Sir Edward Grey to Sir G. Barclay.

(No. 247.)

(Telegraphic.) P.

Foreign Office, August 22, 1910.

JOINT note to Persian Government. (See Mr. Marling's telegram No. 322 of the 9th August.)

Suggestion has been made by Russian Government that, in the event of Persian Government giving an unfavourable reply, you and your Russian colleague should return the note, observing that no answer is required to the joint note of the 20th May, which was merely in the nature of a warning to the Persian Government that the two neighbouring Powers, who have always shown good-will to Persia, reserve to themselves the right to take the necessary steps if Persian Government does not see fit to fall in with the legitimate demands.

I suppose any such communication would be verbal, in accordance with decision made in June last.

Give me your views on proposed course, and state what steps you would suggest if it becomes necessary to execute the threat.

[30713]

No. 282.

Mr. O'Beirne to Sir Edward Grey.—(Received August 23.)

(No. 231.)

(Telegraphic.) R.

St. Petersburg, August 22, 1910.

PERSIA: Southern roads.

My telegram No. 224 of 15th August.

Aide-mémoire received from Acting Minister for Foreign Affairs states that the Russian Minister at Tehran [? has been] instructed to join his British colleague in making a strong representation to the Persian Government respecting the insecurity existing on certain trade routes.

Minister for Foreign Affairs sees no objection to the proposed levy of a force analogous to the Cossack brigade, to be commanded by Indian officers, provided that its activity does not extend to points in the Russian sphere such as Ispahan.

From information recently received Russian Government think that it would be preferable to allow the Persian Government three months instead of two [sic] to restore order themselves, more especially in view of the impending nomination of a new Governor-General at Fars.

[29924]

No. 283.

Sir Edward Grey to Sir G. Barclay.

(No. 248.)

(Telegraphic.) P.

Foreign Office, August 23, 1910.

I HAVE received a complaint from a firm at Manchester that the Russian advance in Azerbaijan has entirely ruined their trade in Northern Persia.

I should have supposed that the diminution in their trade had taken place previously.

[30627]

No. 284.

Sir Edward Grey to Sir G. Barclay.

(No. 250.)

(Telegraphic.) P.

Foreign Office, August 23, 1910.

OIL company's loan (see Mr. Marling's telegram No. 331 of the 18th August).

Oil company are only offering loan in the place of a joint advance and to oblige us. They would therefore be glad to retire from their undertaking should Persian Government now renew request to the two Powers for an advance. If, however, Persian Government were to apply to us for an additional advance after having first concluded loan with oil company difficulties would arise, because no sufficient security would remain for a joint advance, oil company's loan having already been given on security of surplus of Southern customs revenue. If this were to happen the two Powers would have to refuse an advance, in spite of their anxiety to oblige the Persian Government.

Southern customs and telegraph revenues are, on the other hand, essential, in the company's opinion, as supplementary security for their loan, and without them they can give no loan.

Owing to this dilemma, success of oil company's negotiations is imperilled. Can you suggest any solution? Mr. Preece's reports give cause to believe that subsequent application to the two Powers is contemplated.

[30160]

No. 285.

Sir Edward Grey to Sir G. Barclay.

(No. 251.)

(Telegraphic.) P.

Foreign Office, August 23, 1910.

WITH reference to point 3 in Mr. Marling's telegram No. 283 of the 15th June, the India Office inform me that it is with regard to consulates at Shiraz and Ispahan, that the Indian Government require your opinion.

[30618]

No. 286.

Sir Edward Grey to Sir R. Rodd.

(No. 225.)

(Telegraphic.) P.

Foreign Office, August 23, 1910.

FOREIGN instructors, &c., for Persian Government.

Please tell Italian Government that I am very sensible of their courteous and friendly procedure in consulting me as to Persian Government's request for Italian subjects as instructors to gendarmerie before replying to it.

I have told the Marquis Imperiali that in view of the fact that we have always advised Persian Government to employ only subjects of lesser Powers, we should be embarrassed if the Italian Government were to accede to the request.

[30243]

No. 287.

Sir Edward Grey to M. Daeschner.

Sir,

Foreign Office, August 23, 1910.

I HAVE the honour to inform you that the Italian Government have recently informed His Majesty's Government and the Russian Government that the Persian Government proposed to ask the Italian Government for the loan of some Italian subjects to reorganise the Persian gendarmerie. They added that they would not reply to the Persian Government without first ascertaining whether the proposal was agreeable to His Majesty's and the Russian Governments.

The two Governments have replied that they are grateful to the Italian Government for their courteous action in making this friendly communication, but that the engagement of Italian subjects in the proposed capacity would place the two Powers in a most difficult position, in view of their having recommended the Persian Government to apply to the minor Powers for their foreign adviser.

It appears that the Persian Government also contemplate asking the French Government to appoint five French experts to assist M. Bizot in the reorganisation of the finances, and His Majesty's Government would be glad to know the intention of the French Government as regards accepting this invitation.

In order to avoid international jealousies, His Majesty's Government would themselves prefer the appointment of Belgian subjects to assist M. Bizot if such a solution would be agreeable to the French Government and to M. Bizot, whose services are highly appreciated by His Majesty's Government.

I have, &c.

E. GREY.

[30851]

No. 288.

Sir G. Barclay to Sir Edward Grey.—(Received August 24.)

(No. 335.)

(Telegraphic.) P.

Gulahek, August 23, 1910.

KERMAN mining concession.

With reference to your telegram No. 246 of the 22nd August, I have the honour to report that it appears to me doubtful that foreign enterprise would be more favourably viewed now than in December by the Medjliss. It is true that the danger from Afghan gun-runners has practically ceased, but the situation in Kerman district, according to recent advices, does not show any improvement to justify the dispatch of an engineer, which step was all that the other group contemplated for the moment, unaccompanied by a strong escort. I am enquiring further, however, on this point.

Pending your instructions I shall not support Preece.

[30852]

No. 289.

Sir G. Barclay to Sir Edward Grey.—(Received August 24.)

(No. 336.)

(Telegraphic.) P.

Gulahek, August 23, 1910.

WITH reference to your telegram No. 247 of the 23rd August, I have the honour to state that, while concurring in the suggestion that we should return any reply received if it is unfavourable, I would deprecate using the threat proposed.

I submit that if we return the reply, we should at the same time make a verbal statement, pointing out that no answer was required to our joint note, which merely conveyed a warning as to the consequence of the Persian Government disregarding the legitimate desire therein expressed by the two neighbouring Powers, who had always been animated by feelings of good-will towards Persia.

M. Poklewski agrees.

[30916]

No. 290.

Sir G. Barclay to Sir Edward Grey.—(Received August 24.)

(No. 337.)

(Telegraphic.) P.

Gulahek, August 24, 1910.

OIL company's proposed loan to Persian Government.

I have the honour to report, with reference to your telegram No. 250 of the 23rd August, that the Persian Government have refused to give customs and telegraphs as security to the Strathcona group, and that therefore the negotiations, so far as a loan is concerned, have broken down.

It is not apparent by what reasons the Persian Government have been actuated in this matter.

Their refusal may possibly foreshadow an application to the joint Governments, but the attitude of the Minister for Foreign Affairs, so far as I have seen, affords no indication that such a step is contemplated at present.

[30917]

No. 291.

Sir G. Barclay to Sir Edward Grey.—(Received August 24.)

(No. 338.)

(Telegraphic.) P.

Gulahek, August 24, 1910.

POLICING of southern roads.

With reference to Mr. O Beirne's telegram No. 231 of the 22nd August, I agree that a period of at least three months wherein to restore order should be given to the Persian Government. I believe that the Government intend to nominate Ain-ed-Dowleh Governor-General of Fars in the place of Zafar-es-Sultaneh, and so far as I am able to judge this appointment promises well for the future.

The proposed representations regarding the southern roads had occurred to me when consulted in London in connection with an offer of financial assistance without

[1738]

political conditions by the joint Powers. I still adhere to the advisability of such a step in this connection. If representations are not accompanied by offer of money, it appears to me advisable that they should be postponed for the present.

The present Cabinet shows promise, and has announced that the restoration of order will be one of its first tasks.

[30914]

No. 292.

Mr. O'Beirne to Sir Edward Grey.—(Received August 24.)

(No. 233.)

(Telegraphic.) P.

St. Petersburg, August 24, 1910.

PROPOSED loan by Anglo-Persian Oil Company to Persian Government.

In a conversation which I had to-day with the Acting Minister of Foreign Affairs, I remarked that, in the event of the conclusion of the oil company's loan being postponed owing to delay in the negotiations for the conversion of Persia's debts to the Russian Bank, the result would probably be that Persia would make application for the advance which had been offered to her by the two Powers. It was still open to her to do this. I expressed a belief that Russia would probably prefer to see the money advanced by the company rather than join in supplying it herself.

M. Sazonow acknowledged that I was right in my supposition, but said that the Persian Government, even if they obtained the money which the oil company were prepared to advance, were certain to apply within a few months for a further advance from the two Powers. If the southern customs were pledged as security for the oil company's advance, no adequate security would be left for a subsequent advance by the two Powers. He thought, therefore, that it might be preferable if the loan to be made by the oil company could be of such an amount that any further application by Persia to the two Powers for money might be rendered unnecessary.

[30915]

No. 293.

Mr. O'Beirne to Sir Edward Grey.—(Received August 24.)

(No. 234.)

(Telegraphic.) P.

St. Petersburg, August 24, 1910.

ENGAGEMENT of financial advisers by the Persian Government.

Sir G. Barclay's telegram No. 334 of the 22nd August.

I was informed to-day by M. Sazonow that instructions had already been sent to the Russian representative in Paris by telegraph to explain to the French Foreign Office the reasons why, in the opinion of the British and Russian Governments, it was preferable that the nationals of minor Powers should be employed.

M. Sazonow remarked that the French Government interested itself but little in Persian affairs, and said that he believed that the explanation which he had offered would be quite satisfactory to them.

[30852]

No. 294.

Sir Edward Grey to Mr. O'Beirne.

(No. 479.)

(Telegraphic.) P.

Foreign Office, August 24, 1910.

ASK Russian Government to concur in our confining ourselves to the announcement suggested in Sir G. Barclay's telegram No. 336 of the 23rd instant, in which M. Poklewski agrees.

I think Sir G. Barclay is right in regarding use of threat as injudicious.

[30961]

No. 295.

India Office to Foreign Office.—(Received August 25.)

Sir,

India Office, August 24, 1910.

I AM directed by the Secretary of State for India to address you in connection with Lieutenant-Colonel Cox's telegram to His Majesty's chargé d'affaires at Tehran (which was repeated in the latter's telegram No. 303 of the 26th July last), regarding the assurances to be given to the Sheikh of Mohammerah.

Viscount Morley has now examined the papers enclosed in Lieutenant-Colonel Cox's despatch No. 2 of the 16th June last to the Secretary of State for Foreign Affairs, and he has formed the opinion, in which he trusts that Sir E. Grey will concur, that in the dispute between the sheikh and the Vali of Bussorah the former showed a commendable self-restraint and a genuine desire to subordinate his personal inclinations to the policy of His Majesty's Government. It further appears to his Lordship that, on the merits of the question at issue, the sheikh had right on his side, and that, though it would be too much to pretend that his administration has at all times been impeccable, the specific allegations made against him by the vali are sufficiently disposed of in Mr. Wilson's despatch of the 4th June.

In these circumstances, and in view of the sheikh's not unnatural impatience described in Colonel Cox's above-quoted telegram, Lord Morley is strongly of opinion that the assurances of His Majesty's Government's support may now safely be given, and he is prepared, if Sir E. Grey approves, to submit the sheikh's name to the King for the grant of a K.C.I.E.

The attitude of the local Turkish authorities to his Highness in this matter, the alternate pressure and cajolery that they are applying to the Sheikh of Koweit, their attitude to British enterprise in Mesopotamia, the reoccupation of Zakhuniyah island, and the recent demand made to His Majesty's Government by the Sublime Porte for an explanation of an alleged increase of the British squadron in the Persian Gulf, appear to indicate the growth of Turkish ambitions in those regions which is likely soon to bring them into serious collision with the old-established policy and interests of this country—ambitions which the additions to the Turkish fleet are not likely to diminish. Lord Morley would suggest, for Sir E. Grey's consideration, that the time is rapidly approaching when it would be well for His Majesty's Government to make some counter-demonstration at the head of the gulf. If Sir E. Grey shares this view, the investiture of the sheikh with the K.C.I.E. might be made an occasion for some ceremony, and for a show of considerable naval strength in the neighbourhood of Mohammerah and Koweit.

In conclusion I am to suggest that a copy of the assurances should be furnished to Mr. Consul Crow with such further explanations as to the policy of His Majesty's Government as Sir E. Grey may consider desirable to ensure co-operation between the British consular authorities.

I am, &c.

R. RITCHIE.

[31014]

No. 296.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 339.)

(Telegraphic.) P.

Calcutta, August 25, 1910.

ENGAGEMENT of foreign assistants.

With reference to my telegram No. 234 of the 22nd August, I have the honour to report that my Russian colleague and I made the communication verbally and separately to the Minister for Foreign Affairs yesterday. His Excellency evinced some surprise. He had understood that the two Governments desired the engagement of French assistants in the Ministry of Finance. The selection of Frenchmen recommended itself to him also, and he had been attempting to conquer the opposition of a section of the Medjliss who were opposed to them.

Although his Excellency rejected any idea of being directed by our influence, he gave me to understand that he would no longer endeavour to carry the measure through the Medjliss.

[31015]

No. 297.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 340.)

(Telegraphic.) P.

Gulahek, August 25, 1910.

IN reply to your telegram No. 248 of the 25th August, I have the honour to state that I am asking for a report from the consular officer at Tabreez, but enquiry would be facilitated if I could inform him of the name of the Manchester firm in question, and whether they refer to trade in general or to their own trade with Northern Persia.

A considerable increase has, I believe, taken place in Russian trade.

[31025]

No. 298.

Mr. O'Beirne to Sir Edward Grey.—(Received August 25.)

(No. 237.)

(Telegraphic.) P.

St. Petersburg, August 25, 1910.

ANTICIPATED reply of Persian Government to joint note as to concessions.

M. Sazonow agrees to the course which Sir G. Barclay suggests, and will instruct M. Poklewsky accordingly.

[31014]

No. 299.

Sir Edward Grey to Sir G. Barclay.

(No. 254.)

(Telegraphic.) P.

Foreign Office, August 25, 1910.

FOREIGN assistants. Your telegram No. 339 of the 25th August.

Employment of Frenchmen is of course objectionable to us merely as contravening principle of employment of subjects of minor rather than those of Great Powers.

Minister for Foreign Affairs no doubt clearly understood that we were opposed to it for no other reason.

[31015]

No. 300.

Sir Edward Grey to Sir G. Barclay.

(No. 255.)

(Telegraphic.) P.

Foreign Office, August 25, 1910.

FIRM as to which you ask in your telegram No. 340 of to-day is Ziegler. They claim formerly to have carried on in Northern Persia a "very important export trade."

[31045]

No. 301.

Sir G. Lowther to Sir Edward Grey.—(Received August 26.)

(No. 588.)

Sir,

Constantinople, August 21, 1910.

WITH reference to my despatch No. 578 of the 16th instant, I have the honour to forward herewith a minute from Major Tyrrell, military attaché to this embassy, in regard to the Turco-Persian boundary near Kizil Dize.

I asked Major Tyrrell to furnish me with this memorandum as he is personally acquainted with the district in question.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 301.

Copy of a Minute from Major Tyrrell, Military Attaché to His Majesty's Embassy at Constantinople, dated August 20, 1910.

REFERENCE Mr. McGregor's despatch No. 54.

As the Russian Ambassador appears to have told your Excellency that the western road, of the two running south from Kizil Dize, has been the undisputed boundary, I venture to make a few remarks from personal knowledge of the locality.

Kizil Dize is, and always has been, well within the Turkish frontier. I was there in 1905, before the Turks had commenced their forward movements, and even at that time there was no question of the Persian frontier coming within some miles of Kizil Dize.

Of the two roads south from Kizil Dize, the more easterly one is the caravan route to Tabreez. One had to go 5 or 6 miles along this road before reaching the frontier. As for the western road, which M. Tcharykoff says marks the boundary line, that lies entirely and for its whole length within Turkish territory, though from 5 to 10 miles south of Kizil Dize it skirts close to the watershed which was understood to be the frontier when I was there.

At about 10 miles south of Kizil Dize this road crosses the Eghri Chai, the valley of which runs across the general line of the water parting alluded to above, so that in this place the well-defined natural frontier line is broken, and it is probably somewhere on this stream that the disputed fields lie.

(It is of course possible that the Turks have been encroaching in the Kazli Geul basin, and that the Inji Su is one of the streams there.)

However that may be, I am of opinion that M. Tcharykoff's statement that the road running south from Kizil Dize forms the boundary is incorrect. When travelling on that road I have always considered myself to be in Turkish territory, and from it one can see the boundary, as it was considered to be five years ago, to the east.

I think our War Office map correctly represents the frontier in relation to the roads from Kizil Dize.

G. E. TYRRELL.

[31147]

No. 302.

Sir G. Barclay to Sir Edward Grey.—(Received August 26.)

(No. 341.)

(Telegraphic.) P.

Gulahek, August 26, 1910.

ENGAGEMENT of foreign assistants.

With reference to my telegram No. 339 of the 25th August, I have the honour to report that the Belgian Minister, who had heard a rumour that the engagement of Swiss financial assistants was contemplated, has urged upon me the advantages of the choice of Belgians. In reply, I informed him that the joint legations had recently recommended the selection of subjects of the smaller Powers, and that I had mentioned Belgians to Hussein Kuli Khan as suitable for assistants, under M. Bizot, in the Ministry of Finance.

(Confidential.)

His Excellency appeared to be doubtful as to what view Belgian Government would take with regard to the suggested subordination of Belgians to M. Bizot.

[31157]

No. 303.

Sir G. Barclay to Sir Edward Grey.—(Received August 26.)

(No. 342.)

(Telegraphic.) P.

Gulahek, August 26, 1910.

ENGAGEMENT of foreign assistants.

In reply to your telegram No. 254 of the 26th August, I have the honour to report that there can be no misapprehension in the mind of the Minister for Foreign Affairs. We made it clear that we were actuated by the desire to obviate the jealousies of the Powers.

[1738]

3 K

[31205]

No. 304.

India Office to Foreign Office.—(Received August 27.)

Sir,

India Office, August 26, 1910.

IN reply to your letter dated the 12th August, 1910, I am directed to say that the Secretary of State for India concurs in the terms of the reply that the Secretary of State for Foreign Affairs proposes to return to the despatch of His Majesty's chargé d'affaires at Tehran, dated the 4th July last, as to the Turco-Persian frontier in the neighbourhood of Mohammerah.

I am, &c.

R. RITCHIE.

[31157]

No. 305.

Sir Edward Grey to Sir G. Barclay.

(No. 258.)

(Telegraphic.) P.

Foreign Office, August 27, 1910.

FOREIGN advisers.

I conclude Persian Government will ask for French Swiss.

Reference is to your telegram No. 341 of the 26th August.

[30917]

No. 306.

Sir Edward Grey to Mr. O'Beirne.

(No. 493.)

(Telegraphic.) R.

Foreign Office, August 27, 1910.

SIR G. BARCLAY'S telegram No. 338 of 24th August: Restoration of order in Southern Persia.

Inform Russian Government that I agree with Sir G. Barclay, and think that representations should be deferred for a while.

[30914]

No. 307.

Sir Edward Grey to Mr. O'Beirne.

(No. 494.)

(Telegraphic.) P.

Foreign Office, August 27, 1910.

PERSIAN advance.

The syndicate have abandoned their negotiations. They would not lend more money. We were endeavouring to surmount difficulty as to the customs which had already occurred to us.

If the advance were from Great Britain and Russia, would the Russian Government equally insist on conversion of their debt as a preliminary?

[31266]

No. 308.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 343.)

(Telegraphic.) P.

Gulahck, August 28, 1910.

OIL company's proposed loan to Persian Government.

With reference to my telegram No. 337 of the 24th August, I have the honour to report the resumption of the oil company's loan negotiations.

Proposals now put forward by the Persian Government are as follows: A loan of 200,000*l.* secured on the Southern customs and on oil shares, or a loan of 100,000*l.* on former security only.

I submit that a solution of the difficulty set forth in your telegram No. 250 of the 23rd August would be arrived at if the smaller of the above proposed loans were secured on the Persian Government's shares and profits in the oil company. It would be even more satisfactory if the Persian Government's shares and profits in the oil company and in the new company could be made security for the 200,000*l.*

[31544]

No. 309.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 344.)

(Telegraphic.) P.

Gulahck, August 28, 1910.

STRENGTHENING of consular buildings in Persia. With reference to your telegram No. 251 of the 23rd August:

Consulate at Ispahan consists, Mr. Grahame reports, of straggling buildings commanded on two sides. There are no defences, and it would entail a heavy and useless expenditure to construct such. His Majesty's consul-general is of opinion that it would be useless to attempt to hold consulate with five times present numbers against an armed force. He is entirely adverse to adoption of defence works.

His Majesty's consul at Shiraz considers defence works to be unnecessary.

I share the opinions expressed above.

[31309]

No. 310.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 145.)

Sir,

Gulahck, August 7, 1910.

WITH reference to my telegram No. 312 of the 3rd instant, I have the honour to transmit herewith copy of a despatch from His Majesty's acting consul at Kermanshah, reporting on the disturbances which recently took place there, and describing the steps which he took to afford support to his Russian colleague.

I consider that Mr. Knox showed most commendable judgment and energy on a very trying occasion, and I have expressed to him my entire approval of the action taken by him in the matter.

The Russian Minister has verbally expressed to me his warm appreciation of Mr. Knox's services.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 310.

Acting Consul Knox to Mr. Marling.

(No. 63.)

Sir,

Kermanshah, July 28, 1910.

I HAVE the honour to report that since the morning of the 24th July serious anti-Russian demonstrations have been taking place. On the night of the 23rd (as reported in my telegram No. 20 of the 24th July) a Persian soldier of the Kerendi regiment was shot in the Russian consul's garden. Previous to this, soldiers from the Governor's camp had continually entered the garden at night—usually in the intention of stealing fruit—and two gardeners had been wounded by them. This man was first seen about midnight near the door of M. Lissowski's house; he was then challenged and took to flight. An hour later the same man returned, and was this time shot.

Early the next morning more than 100 men of his regiment arrived before the Russian consul's house and made a violent demonstration, crying out insults against M. Lissowski and his Government; some stones were also thrown. At the first sign of danger all Persian guards and servants fled, and M. Lissowski was left alone with two Russian Cossacks. One of the soldiers succeeded in entering the garden at the moment when M. Lissowski appeared on his balcony, and aimed at him with his rifle. A Russian Cossack seized the man from behind, thus diverting the shot, which did no damage. Immediately after this twenty or thirty Persian Cossacks from Nizam-es-Sultaneh's camp arrived, dispersed the soldiers, and beat the aggressor. He is now

under arrest in the Governor's house. Very shortly afterwards Samsam-ul-Mamalek, commander of cavalry, the Rais-i-Kushun, and several civil dignitaries called to offer apologies and to see that the Russian consul was effectively guarded. Some fifty men, Persian Cossacks and soldiers of the Hamadan regiment stationed here, were posted in the garden, and at night horsemen patrolled the neighbouring ground. During this day and the next no disturbance took place. Small groups, however, of the Kerendi soldiers passing before the house shouted insults at M. Lissowski.

On the afternoon of the 25th Nizam-es-Sultaneh called on the Russian consul and gave every apology and assurance for the future, promising the same day to disband the regiment. He nevertheless warned him that the Russian Cossacks should not for the present appear in the streets.

Next morning I received a note from my Russian colleague, saying that he hoped that the matter was near settlement. On the evening of the same day I called on him and found that the situation had grown still more serious. He had that afternoon been on his verandah with the officer commanding the guards whom Nizam-es-Sultaneh had sent, when one of three Kerendis passing by aimed his rifle at him. The man was seized by Persian Cossacks before he could fire, and is now under arrest. Further insulting demonstrations were made before the house.

My Russian colleague seemed now determined that if this state of affairs did not immediately cease he would forthwith leave Kermanshah with his escort as a protest. I did all in my power to dissuade him from this step, and offered, pending a reply from his Government, to exert independently all possible pressure on Nizam-es-Sultaneh to obtain the instant disarmament of the Kerendi regiment and the introduction of fresh troops, in order to assure a proper maintenance of public security. My Russian colleague cordially accepted my proposal.

I consequently telegraphed what steps I proposed to take, and early next morning addressed a strong note to the Governor, requesting immediate disarmament and the introduction of fresh troops, and stating as my reason for this demand that, since such disorder prevailed that the life of the Russian consul was threatened, I had no possible guarantee of the safety of British subjects. I closely followed up my note by a visit to the Governor, accompanied by Persian Cossacks, whom he had sent of his own movement to escort me. I began by telling him that, if he were willing to treat me with complete frankness and confidence, and receive my advice in the same friendly spirit in which it was given, a solution might be found for this unpleasant affair. I informed him that the Russian consul was determined at the first recurrence of these disorders to quit his post as a protest, and that the consequences of this step would be as serious for himself as for the future of Persia.

He replied denying that any insult had been offered to the Russian consul or his flag, and stated firmly that no attempt had been made on his life. I was fortunately able to repeat almost verbatim the statement of my Russian colleague to Nizam-es-Sultaneh's "munshi-bashi," which I had heard the night before. I then pointed out that his words were belied by his own actions; that he had sent troops to quell the first disorders and officers and officials to apologise; that he had himself made excuses to M. Lissowski and warned him that the streets were not safe for his Cossacks; and that he had that morning taken the unusual step of sending horsemen to escort me. I further entreated him very amicably to abandon this attitude and deal openly with me, but was again met by the same stolid denial. He even offered to hold a meeting with M. Lissowski and myself when the officer of the guards whom he had sent to the Russian consul could be examined as to the facts. I replied assuring him that complete frankness existed between the two consulates, and that the time was past when a provincial governor in Persia could hope to gain his own ends by stirring up suspicion between the British and Russian consuls, and told him that I was not come to test the veracity of my colleague, but to exact the execution of his duty as Governor towards the representatives and subjects of foreign Powers. Thereon he gave me the fullest assurances that he would disarm and disband immediately the company of 100 men to which the man killed had belonged, and that he would do his utmost to dismiss the remainder of the regiment and replace it without delay.

I then went directly to the Russian consul, and informed him of the Governor's attitude. My colleague immediately sent for the officer in question, who, on our requesting him to relate what had happened, entirely confirmed the details reported above. The Persian guards of this consulate, who belong to the same regiment, on independent examination by my "mirza," further confirmed this account.

At 3 o'clock on the same afternoon one company of the Kerendis was paid off and disarmed. Later they were escorted outside the town. I have addressed no further

communication to the Governor, and await your instructions as to my attitude towards him.

This morning I have received an official reply to my note, copy of which is enclosed.* I regret that I have had no time to make a translation before the departure of the post.

Nizam-es-Sultaneh states in this communication that complete order prevails, and that no insults have been offered to foreign subjects or consulates. He nevertheless gives me cognisance of the disarmament of the company of Kerendis, and informs me of his plans for dismissing and replacing the remainder.

On the whole the outlook is more hopeful to-day, but the Governor's incongruous attitude does not appear likely to mend the situation, and I am afraid that it is impossible to persuade him to desist from his absurd denials. Apart from this, Nizam-es-Sultaneh has done all in his power, and that with great promptitude, in the matter of supplying my colleague with a strong guard.

Anti-Russian propaganda continues in the town, and feeling against foreigners in general is pronounced. I think, however, that, after the Governor's action in dismissing part of the troops, there is little likelihood of a further attempt against the Russian consul.

Since yesterday afternoon the telegraph has been interrupted. An urgent telegram reporting the results of my interview could not be sent yesterday, nor has my Russian colleague yet received a reply to his message reporting the renewed disorders.

M. Lissowski, who during four days has been subjected to a continual nervous strain, has throughout acted with great moderation. On some occasions the guards have with difficulty been restrained from firing on the soldiers outside, and no rash action has been taken.

I have, &c.

G. G. KNOX.

[31310]

No. 311.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 146.)

Sir,

Gulahak, August 7, 1910.

WITH reference to my telegram No. 278 of the 8th July, I have the honour to report that Mr. Brown, Messrs. F. Strick and Co.'s agent in Tehran, has communicated to me a copy of what purports to be an agreement between Muin-ut-Tujjar, Messrs. Ellinger, and Messrs. Andrew Weir supplementary to, and of equal date with, the contract between the same parties of the 4th December, 1908. You will see from the enclosed copy† that this instrument virtually releases Muin-ut-Tujjar from any responsibility towards Messrs. A. Weir in the event of his being prevented by any action of the Persian Government from supplying the oxide stipulated in the main contract of the same date. If valid, then this agreement would appear to relieve Messrs. Strick also from the obligation they have assumed by their contract with the Persian Government to accept any responsibility for violation of the Muin's agreement with Messrs. A. Weir. I say "if valid" because this supplementary agreement is signed only by Messrs. A. Weir but not by either of the other two parties. The agreement, moreover, is not upon stamped paper, and I conclude from these two circumstances that it has no legal validity.

Mr. Brown is sending a legalised copy of it to Messrs. Strick.

Mr. Brown and Mr. A. O. Wood, of the Imperial Bank, have both seen the contract of the 4th December, 1908, and assure me that it too has the same defects; it would therefore, to all appearances, be as worthless as the supplementary agreement. I hope to be able to obtain a copy of the principal agreement, and if I succeed it will be forwarded to you.

It has occurred to me that these two papers may be nothing but copies sent to Muin-ut-Tujjar for his convenience, and that Messrs. A. Weir may have in their possession legally executed agreements; I do not think, however, that this can be the case, as to be valid in England the Muin-ut-Tujjar's signature (or seal) would have had to be legalised in this consulate-general, but there is no record of any such legalisation in the fee book.

* Not printed.

† Enclosure printed in 27228.

In these circumstances it seems more than probable that the surmise of Messrs. Strick that there has never been any real contract at all between Messrs. Weir and the Muin is correct, and the whole circumstances of the case appear to me to be so shady that I venture to suggest that before any steps are taken here to safeguard Messrs. Weir's interests the firm should be called on to produce the original of the contract with the Muin-ut-Tujjar on which they might base their claim against Messrs. Strick and Co. The conduct of this firm throughout this affair seems inexplicable; they have consistently appeared as the principals in a contract which now seems to have no existence, and further, from the correspondence communicated to your department by Messrs. Strick, it seems almost certain that the real principals are not Messrs. A. Weir but Messrs. Ellinger.

What the Muin-ut-Tujjar's part in the present development may be I cannot pretend to say with any certainty. It seems unlikely that the supplementary agreement could now have been shown to Mr. Brown except with his consent (the supposed original contract was actually shown by the Muin to Mr. Wood and Mr. Brown last December), and in the circumstances it is conceivable that, seeing that his combination with Ellinger and Weir has failed, he desires to gain favour with Messrs. Strick and the Persian Government by putting them in possession of evidence showing that so far as Messrs. Weir are concerned there is no legal claim for compensation. But Muin-ut-Tujjar's business methods are so tortuous that it would be rash, without strong confirmatory evidence, to build on this conjecture.

I have, &c.

CHARLES M. MARLING.

[31311]

No. 312.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 147. Confidential.)

Sir,

Gulahek, August 7, 1910.

THE day after the formation of the new Cabinet, Hussein Kuli Khan, the Minister for Foreign Affairs, called on me and said that he hoped I should come to his first official reception which he had announced for the following day, for if I did not do so it would create a bad impression. I said that though it would be at some inconvenience to myself, I would of course attend if it would be of any service to him. After making some allusion to a question which arose two years ago as to whether a newly appointed Minister for Foreign Affairs or the foreign representatives should pay the first call, his Excellency said that he intended to follow a precedent that had been set on one occasion by Ala-es-Sultaneh and merely to leave cards at each mission—he had, he said, an excellent excuse, as the distances were so great he could not possibly make the complete round that afternoon if he had to spend a quarter of an hour at each legation. I said I hoped he would at all events try to see the Russian Minister; if he did so, I was sure M. Poklewski would make a point of attending his Excellency's official reception. I hoped his Excellency would understand that the Russian Government wished to be on good and cordial relations with Persia whatever the party might be in power; that, above all things, they wished to see a stable administration; and that M. Poklewski, if it was hinted to him that by attending his Excellency's first reception day he could give the new Cabinet any moral support, would do so as readily as myself.

Hussein Kuli Khan paid the call, and M. Poklewski of course returned it on the reception day.

Hussein Kuli Khan evidently thought there was some danger that the British and Russian representatives might make a sort of demonstration against him by abstaining from attending his first official reception, and I have ventured to report this trifling incident, as it serves to illustrate the erroneous conceptions entertained by the new Minister for Foreign Affairs of the attitude of Russia towards this country.

The Minister for Foreign Affairs only left cards at the other legations, but the German and Austrian Ministers found it inconvenient to go to Tehran the next day.

I have, &c.

CHARLES M. MARLING.

[31510]

No. 313.

M. Oudendijk to Mr. Marling.—(Communicated privately by Mr. Marling, August 29.)

My dear Marling,

Tedgriche, August 8, 1910.

REFERRING to our conversation of yesterday, I would be very much obliged if you could see your way to asking your Government whether they would have any objections to changing their attitude *re* the Karun irrigation scheme to such an extent as to consent to the final concession in this matter being granted to either a Dutch or an English company, with the provision that if the company be Dutch, its capital shall be exclusively Dutch and English.

It seems to me that in this way the "open door" would be adhered to, whereas at the same time British political and other interests in the regions of the Persian Gulf would be in no way jeopardised, but, on the contrary, sufficiently safeguarded for the future; while *vis-à-vis* the Persians, Great Britain would thus show that she is in favour of the economical development of the country. As to myself, it would make my position a more honest one with regard to the Persian Government.

I may add that should it be deemed expedient for the company to be registered in Holland, it should of course first come to a complete understanding with the British Government on all points which your Government might think desirable to be settled previously.

Acting on these lines, I think it should be immaterial to England whether the company be Dutch or British, as, in either case, the certainty of a satisfactory co-operation would be equally fully and effectively obtained.

Yours, &c.

W. J. OUDENDIJK.

[31312]

No. 314.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 148.)

Sir,

Gulahek, August 11, 1910.

I HAVE the honour to transmit herewith the usual summary of events in Tehran and the provinces during the past four weeks. The state of affairs in the south has not, I regret to say, been materially improved, though there was a short period at the end of last month when the security on the Shiraz-Ispahan road was better. The Ahwaz-Ispahan road is, however, now fairly safe.

I have constantly urged the Persian Government to take effective measures to restore order in Fars, but the Cabinet crisis and, since the formation of a new Government, the difficulties which have beset Ministers in Tehran have prevented anything being done yet, but I hope that the recall of Zafar-es-Sultaneh, of whose incompetence I have had to complain so often, from the governorship of Fars indicates that the Government intend at last to take the question seriously in hand.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 314.

Monthly Summary of Events in Persia for four weeks ending August 11, 1910.

Tehran.

SEYYID ABDULLAH, the principal mujtahed of Tehran, a priest whose reputation for honesty was not good and who had taken a prominent part throughout in the constitutional movement, was murdered in his house on the night of Friday, July 15th, by a band of men who took no pains to hide their identity. They were "fedai," and the murder was clearly a political one, intended to impress the party he was supposed to have sided with, or at any rate to put an end to his alleged intrigues against a section of the Nationalists. The party of whom Taki Zadeh was one of the most prominent members was held responsible for the outrage, and shortly afterwards Taki Zadeh was forced to leave the country. The murder created

considerable stir in the capital, and a large number of merchants and others collected at one of the principal mosques of Tehran with the object of pressing the authorities to capture the murderers.

On the 25th July the new Cabinet, which had in the meantime been formed with considerable difficulty, was presented to the Medjliss by the Premier, Mustaufi-ul-Mamalek. It was composed as follows:—

Minister of the Interior ...	...	Farman Farma.
Minister of Foreign Affairs ...	...	Hussein Kuli Khan, C.B.
Minister of Finance ...	...	Hakim-ul-Mulk.
Minister of War ...	...	Kawam-es-Sultaneh.
Minister of Justice ...	...	Dabir-ul-Mulk.
Minister of Posts and Telegraphs ...	...	Assadullah Mirza.

On the 1st instant a second outrage was committed by the "fedai," but this time by a section of them apparently hostile to the ultra-Nationalists, for one of the victims was Mirza Ali Mohammed Khan, a brother-in-law of Taki Zadeh. This was looked upon as a reprisal for the murder of the Mujtehed Seyyid Abdullah.

The new Cabinet thereupon considered the desirability of disarming the "fedai" responsible for these outrages and for the insecurity so generally felt. A proclamation was issued on the 5th instant calling upon the "fedai" to disarm, but they replied by collecting under the leadership of Sattar Khan—the defender of Tabreez—at the park of the late Atabek, and by formulating certain demands. This state of affairs lasted until the 7th instant, when the Government decided to use force against them.

In the meantime Colonel Vadholsky, the Russian commandant of the Cossack Brigade, had been consulted by the Government as to the best means of disarming the "fedai," and he noticed that some of the Ministers felt considerable reluctance in taking severe measures. The new Minister for Foreign Affairs also sounded the Russian Minister on the subject, and M. Poklewski intimated that he considered the disarming of the "fedai" to be most necessary. He added that the Russian troops at Kazvin would not be called in unless Europeans were placed in danger. M. Poklewski thought, however, as did many others, that the undertaking would turn out to be a much more serious matter than events proved to be the case.

At 2.30 P.M. on the 7th instant an unforeseen exchange of shots at the park gates between a "fedai" and some Bakhtiari opened active hostilities between Sattar Khan's supporters and the Government forces. Guns were brought up to points commanding the park walls, which are in close proximity to His Majesty's Legation, and a considerable amount of ammunition was expended on both sides. Eventually after nightfall a breach was made in the wall in the direction of the French Legation, by which the Bakhtiari entered, taking Sattar Khan prisoner, together with Bagher Khan, who had joined him, and the whole of their following, some 300 men, including a number of unarmed merchants. Sattar Khan was wounded in the fighting, and about eighteen "fedai" were killed at the loopholes and about forty wounded. The Government casualties are said to have been seven killed and twenty-three wounded. The Bakhtiari were prominent in the fighting under Sardar Bahadur, the eldest son of Sardar Assad; and Yeprem, the Armenian chief of police, was foremost on the Government side. The "fedai" showed very little resistance, chiefly due, no doubt, to their unpreparedness and to the nature of the ground, which is little adapted to defence.

Two days later Sardar Mohy (Moez-es-Sultan), another leader of "fedai," closely connected with the ex-Prime Minister Sipahdar, took refuge with his following at the Turkish Embassy in the country, and it seems as if, for the present, this element of disorder in Tehran has received a severe lesson, and that the prestige of the new Government is likely to be enhanced thereby.

The public proceedings of the Medjliss during the past four weeks do not call for any special report, as they were not of any particular interest. Most of the important business of the House was conducted in secret as usual.

Nasr-ul-Mulk left for Europe at the end of July, and his family has taken a house in the village of Gulabek.

G. P. CHURCHILL, *Oriental Secretary.*

Tabreez.

1. Three hundred and four Russian recruits, to replace time-expired men who returned to Russia in November last, arrived at Tabreez between the 15th and 19th July. Of this number, 197 were infantry, 35 artillery, and 72 Cossacks.

2. Mr. Shipley left for Europe on leave on the 1st August, handing over charge of the consulate to Mr. C. Stevens.

3. It appears that the Governor of Maragha not long ago arrested the officers of a small force of armed police sent there by the Governor-General and had them beaten. The latter is said to contemplate sending a strong force to punish the offenders. Mr. Stevens thinks that the local governor, who is a reactionary, will prove too strong for this.

Resht.

1. On the 29th June a Georgian bomb-maker was murdered by a Russian subject, who was arrested by the Persian authorities. The Russian consul claimed the prisoner, who was removed in custody to the Russian consulate.

2. A number of women at Lahijan having disregarded the order issued by the Governor of Ghilan, forbidding them to work in the cocoon-sorting business for European firms, armed men were sent to remove them. An affray ensued, during which a Russian subject was severely, and a Turkish subject slightly, wounded. The Russian consul immediately proceeded to Lahijan with forty Cossacks, accompanied by the Turkish vice-consul. The two consuls returned later to Resht, but the Cossacks remained at Lahijan.

Meshed.

Rukn-ed-Dowleh, who was dismissed from the post of Governor-General, has, in consequence of ministerial changes at Tehran, remained at his post. The local commander-in-chief returned early in July from his abortive expedition to the western frontier of Khorassan. He accomplished nothing, and fresh robberies were reported near Turbat, six travellers being said to be killed. The eastern frontier of Khorassan was also said to be in a disturbed state. A large band of robbers, consisting of Kakaris, Jamshidis, and Afghans, was established near Zorabad under one Mangul Khan, Kakari, and had committed several robberies, one being that of a large caravan, the property of Russian subjects, bringing sugar to Meshed. Prince Dabija protested strongly, and the Persian authorities promised to take measures to suppress the brigands. A good deal of friction seems to exist between the local police and local governors, notably at Bujuurd, Kuchan, Sarakhs, and Birjand. The interference of the police is said to exercise a bad effect on the general administration, and the collection of revenue is said to be retarded in consequence. The chief of police at Meshed is accused of having amassed money illegally, and is losing favour all round.

Seistan.

1. Baron Teherkassov returned to Birjand from Seistan on the 1st July.

2. The local assembly at Birjand, after deliberation, decided to refer the question of the imposition of taxes on salt, opium, &c., to Meshed and Tehran. Up to date the payment of these taxes has not been enforced.

3. On the 26th July the Persian and Mekran coast was reported clear of Afghans. The caravan route from Nushki was once more opened, and on the 8th August the European employés of the Indo-European Telegraph Department were ordered back to Dehanneh from Kuh-i-Malik Siah. Though the movements of Afghan caravans were reported to the local authorities, no troops were moved with a view to stopping them until it was known that they had gone by. During July the Kuh-i-Malik Siah and Palang Kuh routes were both unsafe.

Ispahan.

The chief features in the situation have been the arrival of some 300 Kashgais at Ispahan and the despatch by Soulat-ed-Dowleh from Kumishah of an emissary to the Governor-General. The object of Soulat-ed-Dowleh's negotiations with Sardar-i-Ashjia appears to be to gain the support of that section of the Bakhtiaris to which the latter belongs, while the rival section is supporting Zeigham-ed-Dowleh in his efforts to retain the allegiance of the Kashgais. So anxious is Soulat-ed-Dowleh for

this support that he expressed his willingness to pay compensation for all robberies committed by Kashgais recently in the Ispahan district. There is reason to believe that many of these robberies were not committed by Kashgais, but by Bakhtiariis and Chahar Mahalis, instigated thereto by Amir-i-Mufakham, who covets the governorship of Ispahan and seeks to discredit Sardar-i-Ashjaa. Zeigham-ed-Dowleh has been in the Bakhtiari country since the middle of July. Early in August fighting between Bakhtiariis and Kashgais was reported to have taken place some 30 miles south-west of Kumishah, but this has not yet been confirmed. Soulat-ed-Dowleh's emissary stated to both the Governor-General and the local assembly that his master's intentions were pacific, and that he was a staunch and loyal constitutionalist. The emissary, Moavin-ul-Mamalek, visited His Majesty's consul-general, and enquired why His Majesty's legation had vetoed the appointment of Soulat-ed-Dowleh to the governorship of the Gulf ports. Mr. Grahame, in returning his visit, delivered a message from His Majesty's chargé d'affaires comparing the protests of friendship made by him on behalf of his master with the latter's acts. On the 11th July the post from Tehran was robbed by Naib Hussein's men near Imanzadeh, but apart from this the road has remained safe. On the whole, there has of late been an improvement in the condition of the principal southern routes, but a certain insecurity still exists on the Yezd and Sultabad roads. His Majesty's consul-general considers that the recent improvement may perhaps be attributed to the desire of Soulat-ed-Dowleh to figure well in the eyes of His Majesty's Legation and of the public; in the same way, the insecurity now prevailing on some roads may be ascribed in great measure to bands of Kashgais who are out of the control of their chief. On the 6th August 100 camels were carried off by Kashgais at the very gate of Ispahan.

Yezd.

1. Sardar-i-Jung has not yet left to take up the governorship of Kerman, though his nephew, Sarum-ul-Mulk, who, it was said, would succeed him at Yezd, has been there for some time now. The Ispahan road has been unsafe at times. The Imperial Bank of Persia has forwarded large amounts of specie to Yezd recently. This has somewhat troubled the postal authorities, who are very short of horses at their stages. The tax on opium is now being levied, but the other proposed new taxes remain in abeyance. At Nain those on salt and opium are being levied after a reference by the people to Tehran. Merchants in Yezd are reported to be ordering Russian and Austrian goods, particularly cloth, through agents at Tehran, owing to the practical blockade of the southern routes. This diminishes the demand for local productions and for English and Indian yarns. Merchants also are inclined to order such Indian and English goods as they require through Hindu traders at Kerman to obviate the risk of losing further consignments. The chief of the judicial department has telegraphed to Tehran protesting against the interference in various cases of the governor and his entourage.

2. Naib Hussein, of Kashan, with 250 followers, reached Ardistan on the 14th July and demanded a contribution of 200*l.* from the town. His followers also seized many animals and arms from the inhabitants. The deputy governor fled to Ispahan on hearing of Naib Hussein's approach, while the local road guards went over to him. A house was pillaged and a caravan robbed. Naib Hussein visited the British telegraph office and enquired about the state of things at Yezd. One of his sons subsequently came to the office and, despite the refusal of the signaller on duty to give up his two rifles, took them, but paid him 12*l.*, which was some 5*l.* less than their value. On the 17th Naib Hussein, hearing that forces were moving against him from Natanz and Ispahan, left for Zavareh. His Majesty's acting vice-consul at Yezd informed the governor of Naib Hussein's movements. The Sardar thereupon sent a telegram to Naib Hussein daring him to come on to Yezd, but as he mentioned that he had heard of his movements from the telegraph officials, and as a son of Naib Hussein's had already declared that his father owed them a grudge for reporting his movements, and would pay them out, the telegram was not delivered. It appears that Naib Hussein was in correspondence with Soulat-ed-Dowleh. On the 2nd August Naib Hussein was at Anarek, where some fighting took place in which he was successful. He was, however, compelled to retire owing to want of forage. A force of Bakhtiariis is said to be in pursuit of him.

Kermanshah.

1. Daoud Khan, Kallur, who had on the 7th July withdrawn to Harunabad, returned on the 15th to Mahidasht, still accompanied by a large force, but with the

avowed intention of making his submission to the governor. He camped 5 miles outside the town, and next morning, after closely surrounding the governor's camp with a large number of horsemen, he proceeded himself to the governor's tent. The interview, which took place under the rifles of Daoud Khan's bodyguard, was brief and unsatisfactory. Daoud Khan, after making the customary gestures of submission, replied to a question of the governor that he had not taken this step earlier for fear of treachery, and was then dismissed. His Majesty's acting consul and his Russian colleague, seeing that Daoud Khan was acting so high-handedly and with such open distrust of the governor, decided to make to the latter the communication they had already been authorised to make by their respective legations. The governor replied thanking them for their communication, and informing them that Daoud Khan had now made his submission, and he hoped a peaceful settlement was assured. The two consuls then wrote to Daoud Khan, who had previously applied to them, that they had referred his application to their legations, and, having received their reply, they had informed the governor of his letter, expressing to him the hope that the questions at issue would be settled without further bloodshed. They hoped an amicable solution was assured, and advised him to accept whatever conditions the governor offered.

2. Kermanshah, except for an incident arising out of the shooting of a Persian soldier by a Russian Cossack which has already been fully reported upon, has remained quiet, though there has been some firing at night, one man being killed and two or three policemen wounded. Much feeling exists against local Government institutions at Kermanshah, Burujird, and Semneh. On the 15th July some Kurds bringing in fruit were robbed 24 miles from Kermanshah, one man being killed.

Hamadan.

On the 11th July the bazaars were closed as a protest against the collection of the salt tax and octroi. The former is especially obnoxious, as much salt is used in the tanning industry here. On the 12th there was an orderly demonstration, but on the 13th the demonstrators were joined by roughs. The windows of the shop of a German chemist were broken after he had been warned to close his shop and had refused to do so. A crowd met the cashier of the Russian Bank, a Russian, and beat him. He was apparently hit with sticks as he walked through the crowd, but not hard enough to damage him. Mr. McMurray, of the Imperial Bank of Persia, met a similar crowd armed with sticks the same day, but it made way for him and saluted him. The Russian telegraphed to Tehran, but was later reported to have accepted an apology from the crowd. The same day the crowd went to the seat of the local government, and, crying out that they wanted the bricks and mortar they had contributed last year for the building, pulled down a pillar or two and took away the furniture. The Jews and Armenians shut themselves up in their houses. The bazaars remained closed until the 16th, when news of the death of Seyyid Abdullah was telegraphed from Tehran with permission to celebrate the funeral. This was done very quietly, and the bazaars were reopened. The news seemed to calm the town, while the priests went to Amir-i-Afkham in great trepidation. On the 19th the governor, Sardar-i-Nasser, who had spent the last four months in a garden outside the town, entered the town with 200 men. His appearance had a good effect, and the taxes were paid. Amir-i-Afkham, a man of great local influence, is widely accused of having fomented the disturbances and of being very Russophil. There is little security; the police, who were badly paid, disappeared completely during the disturbances. In the town robberies take place every night, and one post was robbed within 4 miles of the town.

Kerman.

The province is still without a governor, and Nusrat-us-Sultan, the deputy governor, is described as being incompetent, obstructive, and obnoxious to the local assembly and the people. In the middle of July the local assembly adjourned its meetings as a protest against the arbitrary proceedings of the deputy governor. Persian Baluchistan was reported to be entirely beyond the control of the local government of Kerman. Some thirty Baluchis from Sarhad attacked Naimabad, a village near Fahraj, on the 12th July and carried off seventy camels and much other plunder, killing one camel-man. It was also reported that Kundil Khan with 100 men had plundered Isfandaga and Mehni. The band of Fars robbers mentioned in last summary was attacked by a combined force of police and Atshars and were put to flight, losing twelve killed and eleven prisoners. Much plunder was recovered from them. Though the Shiraz-Kerman road is the only one still closed, the roads cannot be said to be safe.

Shiraz.

The situation appears to be that the Governor-General, acting under the orders of Sipahdar while still Minister of the Interior, completely re-established Soulat-ed-Dowleh's power in Fars. Several local governorships have been given to the latter's adherents, and a large part of the Kashgais who had gone over to Zeigham-ed-Dowleh have returned to Soulat-ed-Dowleh. Zeigham-ed-Dowleh was appointed Governor of Behbahan, but informed the central Government that, owing to the difficulties created for him in his own tribe by Zaffar-es-Sultaneh, he could not take up the post. Zaffar-es-Sultaneh requested Soulat-ed-Dowleh to send 800 Kashgais to Shiraz to be at his disposal for administrative purposes, and over 100 have arrived, under command of a notorious robber. His Majesty's consul was officially notified by the Governor-General that from the 8th July the Government of Kazeroun had accepted responsibility for the telegraph route to Bushire, but as Soulat-ed-Dowleh is known to oppose its use, caravans are afraid to use it. The people at large are much disgusted at the re-establishment of Soulat-ed-Dowleh's power. The Kawamis and Zeigham-ed-Dowleh are in communication and are encouraged by Sardar-i-Assad. On the 6th July Zeigham-ed-Dowleh was requested by telegraph by Sardar-i-Zaffar to proceed to the Bakhtiari country "with or without forces." The telegram ended: "It is quite certain Soulat will be utterly suppressed." Zeigham-ed-Dowleh is reported to have gone, but with only fifty horsemen. The Firuzabad road to Bushire appears to be quite safe, but no one seems to have much confidence in the Ispahan road, on which several robberies, including some of posts, are reported. On the former road muleteers are subjected to much extortion. On the 9th August it was announced at Tehran that Zaffar-es-Sultaneh has been dismissed from the governorship of Fars.

PERSIAN GULF.

Bushire.

1. The governor, Darya Begi, arrived from Lingah on the 19th June after four months' absence. He is endeavouring to revive the local assembly, which ceased to exist owing to petty quarrels among the members.
2. The post to Shiraz was robbed on the 26th June between Kazeroun and Mian Kotal.
3. Colonel Cox has called the attention of Darya Begi to the recent activity in the arms traffic at and near Bushire, and the latter seems inclined to take measures against it, but so far nothing effective has been done.

Mohammerah.

1. During the time that Sipahdar was Minister of the Interior there was a considerable improvement in the relations of the sheikh with the central Government, as Sipahdar's telegrams were always politely worded. The reverse was the case under the régime of Sardar-i-Assad.
2. There are now 220 British subjects registered at His Majesty's consulate at Mohammerah, exclusive of Bahreinis.
3. The facts regarding the wounding of a Lar by an employé of the oil company are as follows: A European transport officer named Lenton struck a coolie, who fell, apparently seriously hurt. The other coolies attacked Lenton, who rode off to fetch a doctor. The doctor reported the man to be only slightly hurt, but in view of the threatening attitude of the other coolies it was considered desirable to transfer Lenton to Nasiri. The above version is that of the oil company's agents, who received a report from Mr. Ritchie.
4. It is reported that a Russian consular agency, managed by a Russian, will be shortly opened in Mohammerah in connection with the Russian steam-ship line. The rumour at present lacks confirmation, but His Majesty's consul is making enquiries.
5. The oil company are constantly having difficulties with the Customs here, and the fault is largely the company's, as they adopt an unpleasant tone in their correspondence with the director and irritate him unnecessarily, having done which they ask His Majesty's consul to intervene. M. Zwiune is invariably conciliatory.
6. Abdullah Mirza, the Russian agent, is still in Burujird, where he has apparently established himself. He intends to pay a visit to Khurramabad to study the conditions existing there.

7. On the 14th and 15th July the sheikh and Sardar-i-Assad had a long conversation over the telegraph wire. Sardar-i-Assad informed the sheikh that he and Sipahdar had ceased to be Ministers and had become deputies. He expressed the usual cordial sentiments for the sheikh. His Majesty's consul learns privately that he promised the sheikh that Luristan should be under his control.

C. B. STOKES, Major,
Military Attaché.

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No. 315.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 149. Confidential.)
Sir,

Gulahek, August 11, 1910.

WITH reference to my despatch No. 136 of the 25th July, I have the honour to transmit herewith copies of despatches which I have to-day received from His Majesty's consul-general at Bushire and His Majesty's consul at Ahwaz respecting the rumoured lease of certain lands in Arabistan to a Russian subject, Tariverdieff.

I have, &c.

CHARLES M. MARLING.

Enclosure 1 in No. 315.

Lieutenant-Colonel Cox to Mr. Marling.

Sir,

Bushire, July 9, 1910.

I HAVE the honour to forward, for your information, a copy of a letter which I have addressed to the Government of India in the Foreign Department, giving cover to a despatch from His Majesty's acting consul, Mohammerah, on the subject of the lease of land by the Nizam-es-Sultaneh to the Russian subject, Abbas Agha Tariverdieff, referred to in your despatch No. 77 of the 19th May to His Majesty's Foreign Office.

I have, &c.

P. Z. COX.

Enclosure 2 in No. 315.

Lieutenant-Colonel Cox to the Government of India.

(Confidential.)

Sir,

Bushire, July 9, 1910.

WITH reference to the papers forwarded under date of the 7th June, 1910, I have the honour to forward, for the information of the Government of India, a copy of a letter which I have since received from His Majesty's acting consul, Mohammerah, in which he offers his comments on the enclosures to Sir A. Nicolson's despatch No. 200 of the 18th April to Sir Edward Grey on the subject of the lease of land by Nizam-es-Sultaneh to the Russian subject, Abbas Agha Tariverdieff, which was sent to him for perusal.

I am forwarding a copy of the correspondence to His Majesty's Legation.

I have, &c.

P. Z. COX,

Political Resident in the Persian Gulf.

Enclosure 3 in No. 315.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

Camp Ahwaz, June 26, 1910.

I HAVE the honour to return herewith the Foreign Office print of Sir A. Nicolson's despatch No. 200, dated the 18th April, to Sir E. Grey, enclosing translations of Abbas Agha Tariverdieff's lease of lands near Dizful from the Nizam-es-Sultaneh.

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2. I beg to offer the following comments on the lease and on the explanatory memorandum which precedes it.

3. *Explanatory Memorandum.*—Cereals yield only one harvest annually in Arabistan; the sugar-cane is not cultivated; indigo scarcely at all. The Arab population of the leased grounds is by no means peaceful, and little disposed towards agriculture.

Male labour costs about 12*l.* per annum, not 3*l.*, as suggested. Female labour in proportion. Cotton is grown in Arabistan, but not largely, and the quantity is poor. This is due to climatic conditions. The summer heat is so fierce as to ripen the bolls too quickly to enable them to attain the maximum size and length of staple. The heavy rains in November near Dizful also often spoil the crop before it is ready for picking. Irrigation experts in general, and Sir W. Willcocks in particular, have hitherto held that Arabistan was suited rather for cereals than for cotton, a crop which needs very careful management and expert handling.

4. From paragraphs 4 and 6 of the explanatory memorandum it would seem that, in return for annual payments of 4,100 to 7,300 tomans, the lessee receives the right to existing rent payment of 6,000 tomans a-year from the Arab tribes occupying the land.

As a matter of fact, the nominal rent of the land is 4,500 tomans a-year, but the average payments by the Arabs have not exceeded 3,000 tomans, and the rent for the past two years is still owing.

5. It is stated in paragraph 8 of the memorandum that the lessee has paid rent in advance. It is noteworthy, however, that the Nizam-es-Sultaneh continues to claim rent from the Sheikh of Mohammerah, who is his agent for the collection of his rents from the Arabs.

6. With reference to paragraph 9, the family surgeon and secretary of the Nizam-es-Sultaneh referred to is probably Mirza Yusuf Khan, who has been several times to Europe.

7. It was Sir W. Willcocks's opinion that to import cotton-seed from Egypt here would be to court failure, the climatic conditions being quite different.

8. Paragraph 11, regarding customs revenue, needs no comment from me.

9. The lease is signed by none of the principal mujtahids of Tehran, and has not the seal of any Persian Government officials on it. It may not improbably be difficult for the lessee to obtain the sanction of the Persian Government.

10. The additional agreement in paragraph 6 provides for the possibility of opposition from local tribes. It may be safely assumed that this will be of the most rigorous kind, and will, under the present conditions, suffice to prevent the lessee from doing anything.

11. Paragraph 7 of the additional agreement refers to the construction of a metalled road from Dizful to Mohammerah. In this connection it is well to call to mind that the Persian Road Transport Company held the concession for this road, and that the Persian Government cannot, until that concession lapses, grant the right of constructing such a road to any one else.

I have, &c.

A. T. WILSON,

His Majesty's Acting Consul for Arabistan.

Enclosure 4 in No. 315.

Lieutenant Ranking to Mr. Marling.

(Confidential.)

Sir,

Ahwaz, August 1, 1910.

IN continuation of this office telegram No. 29, dated the 2nd May, 1910, and your reply thereto No. 37, dated the 7th idem, I have the honour to address you on the subject of the reported lease of land in Arabistan to Russian subjects.

On comparing legation telegrams dated the 3rd January, 1910, and No. 37, dated the 7th May, 1910, with No. 123, dated the 11th April, 1910, from Sir A. Nicolson to Sir E. Grey, a copy of which was received in camp forwarded from Bushire, it would appear that the definitions of the position of the leased lands differ. In the two former it is stated to be between the Diz and Karun Rivers, in the latter as being near Dizful.

In view of this apparent discrepancy, I would beg to be informed if any real doubt exists as to the exact position of the leased lands.

As, however, it is probable that His Majesty's Legation's secret informant was in possession of correct information, I forward herewith a memorandum on the Shwabeih lands, in which is situated the land reported to have been leased to Abbas Agha Tariverdieff.

I have, &c.

L. RANKING.

Enclosure 5 in No. 315.

Memorandum on the Shwabeih Lands, part of which reported leased to Russian Subjects.

Designation.—The land reported leased to Russian subjects, shaded on the attached map, is part of the Shwabeih lands, so-called from the tomb of a saint, Hazarat-i-Shwaib, which is situated in these lands on the eastern bank of the River Diz.

Situation of Shwabeih Lands.—The Shwabeih lands are situated between the Shateit and the Diz Rivers, and extend northwards from the confluence of these two rivers at Bend-i-Kir for 18 miles along the Shateit bank and about 25 miles along the Diz bank, their greatest breadth being about 15 miles.

Boundaries.—Bounded on the east by the Shateit River, on the west by the Diz River, on the south by the Diz River, where it flows west from Bend-i-Kir, and on the north (a) on the Shateit side by a low ridge of sand hills rising to a height of 50 feet above the level of the surrounding desert (general strike, east and west), and (b) on the Diz side by the lands belonging to Farhan Assad of the Cha'ab-i-Dubais Arabs.

Physical Features.—The Shwabeih lands consist of flat, open desert, with a low ridge of sand hills 50 feet above the level of the surrounding desert, running in a general direction north and south at a distance of 4 miles west of the Shateit River, general slope of ground being slight from north to south.

The eastern portion, that is to say, the portion situated between the sand hills and the Shateit River, is more thickly populated, and hence more largely cultivated than the portion similarly situated on the Diz side.

With barometrical data 0 = 30.2 inches, the average altitude of the Shwabeih lands is 550 feet.

The banks on the Shateit side have an average height of 15 feet above the level of the water (month of May), and support but scanty jungle growth, while the banks on the Diz side are lower and are covered with a belt of dense, low jungle growth, about a mile in breadth.

The jungles are chiefly composed of tamarisk and willow and a species of reed, and practically supply all the fuel of the towns of Arabistan and that used in Messrs. Lynch Bros. boat the "Shushan."

Owing to the lands being waterless all camps and habitations are along the river banks, except in spring, when the winter rains have been good and pools have formed, when the Arabs for a short time inhabit such portion of the lands as lie between the sand hills and the jungle belt, which affords good pasturage for their flocks and herds.

Composition of Soil.—Alluvial, and strongly impregnated with salts of sodium; equation—



Possibilities for Irrigation.—Irrigation by canal works in the eastern portion is extremely difficult, if not impossible, owing to the difference of the land and water levels, but on the western or Diz side irrigation is possible, as is testified to by the remains of the ancient canal which, having its head works at Wazna, used to irrigate the greater portion of the lands on the Diz side of the sand hills right down to Chunabeih on the banks of the Diz, not far from the latter's confluence with the Shateit River.

It is supposed that this canal formerly irrigated an area of (approximately) 10,000 khash (= 100,000 acres).

Local Nomenclature.—The following table shows the local nomenclature of the various sub-divisions of the Shwabeih lands. It will be noted that the table reads from

south to north, starting from the contiguous lands at the southern or Bend-i-Kir end:—

Shateit, or Eastern, Side.	Diz, or Western, Side.
Gusabeyh.	Chinebeh.
Nashareh.	Abu Tuyur.
Abu Garaneh.	" Karweh.
Zuyeh.	" Sinnsleh.
Abd-i-Ali.	" Zahar.
Butaireh.	Makam-i-Khizar.
Ramseh.	Gobaibeh.
Mukranat.	Qabedeh.
Munareh.	Abu Azan.
Deban.	Sudreh Zughef.
Gobair-i-Bisseh.	Muzairir.
	Makam-i-Shwaib.
	Murawe Khamroos.
	Bohur-i-Sowalim.
	Makam-i-Ishaq.
	Waznah.

Ownership of Land.—This land has from time immemorial been inhabited by Anafijeh Arabs. At one time it was Crown property, but was given by Nasirudden Shah to the late Nizam-es-Sultaneh during his second governorship of Arabistan about twelve years ago, as a set-off to the expenses incurred by the latter in an attempt to repair the Shushter Bridge. These lands were then leased by the late Nizam-es-Sultaneh to the Sheikh of Mohammerah, and continue to be inhabited by Anafijeh and other Arabs, who are the Sheikh of Mohammerah's subjects.

The following table shows the Tribes inhabiting the Shwabeh lands, their fighting strength, chiefs, &c. :—

Tribe.	Chief.	Families.	Fighting men.	Buffaloes.	Cows.	Sheep.	Donkeys.	Horses.	Camels.	Cultivation.	Habitat.
Naes	Shinayeh-ibn-Husayin	40	60	150	200	1,500	20	80	..	80 khesh, unirrigated. 15 khesh.	Abu Tuyur.
"	Khowait-ibn-Bashariyeh	50	70	100	200	1,000	..	7	..	20 khesh, unirrigated.	Chunsaibeh.
"	Otabir-ibn-Muhammad	70	100	500	200	500	..	15	..	20 khesh, unirrigated.	Chamm-il-Humaydiyeh.
Anafijeh	Ali Chigamesh	30	50	150	100	500	..	20	..	15 khesh, unirrigated.	Abu Karweh.
"	Mutleh Abdullah	50	100	..	1,000	1,500	..	30	..	40 khesh, unirrigated.	Shwabeh.
Anafijeh	Sheikh Damm-ibn-Mutalib	100	100	..	300	3,000	..	20	20	60 khesh, unirrigated.	Abu Garaneh.
Al Homsid	Mutah-il-Yoharah	100	150	..	200	8,000	100	50	200	100 khesh, unirrigated.	Zuyeh.
Delan	Mutah-il-Ballat	200	300	..	500	8,000	..	20	..	100 khesh, unirrigated.	Ramseh.
Seyyids	Seyyid Sakah Hayal..	60	100	..	200	500	..	20	..	50 khesh, unirrigated.	Mukranat.

NOTE.—Tribes above the line shown in table have their habitat along the Diz banks, those below along the Shateit banks

Taxation of Tribes.—The tribes settled in the Shwabeh lands are under the authority of Sheikh Alwan of the Anafijeh, and pay taxes to him as the Sheikh of Mohammerah's deputy according to the following rates:—

Per khesh*	..	..	..	..	72 kras.
Per cow or buffalo	..	..	..	..	5 kras. per head.
Per 25 sheep	..	..	..	..	5 kras.

Sheikh Alwan himself pays to the Sheikh of Mohammerah taxes assessed at 37 krans per khesh, payable on half his cultivated land.

Archeological.—Traces of sites and remains exist at the following places :—

Gusabeyeh.	Karweh.	Makam-i-Ishak.
Abd-i-Âli.	Makam-i-Sbwaeb.	

Waznah.—Head works of ancient canal.

Guriyeh.—A low, solitary mound, 5 miles west of the Seyyid Saleh encampment, surmounted by a building 50 feet square, having bastions at the four corners and a circumscribing wall, conforming to the shape of the mound top. Nothing now remains except the marks of the walls on the ground surface.

Shwaeb.—The grave of Hazarat-i-Shwaeb-i-Nabbi, mentioned *supra*, is a place of "ziarat" (pilgrimage) to which the inhabitants of Shushter, Dizful, and local Arabs go. According to local tradition, Shwaeb was a holy man of great sanctity, and a contemporary of Moses, to whom he gave one of his daughters in marriage.

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No. 316.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 152.)
Sir,

Gulabek, August 11, 1910.

THE Cabinet whose formation I had the honour to report in my despatch No. 138 of the 29th July, had been in office but a few days when it was called on to deal with the very difficult question of the disarmament of the fedais and mujahids, a measure the necessity of which was imposed by the perpetration, on the 1st instant, of the three political murders reported in my telegram No. 311 of the 2nd instant. That these crimes were purely political is proved by the fact that one of the victims, Mirza Ali Mohammed Khan, a nephew of Taki Zadeh, received some warning, and he consequently went only a few hours before he met his fate to inform the Minister for Foreign Affairs that he and two others were threatened. Mirza Ali Mohammed was shot by a party of fedais in a tea-house in one of the busiest streets of the town, and three or four other persons were wounded by the reckless shooting, but no attempt was made to arrest the criminals. The next evening the Minister for Foreign Affairs' house was visited by fedais, but fortunately his Excellency was absent, or he would undoubtedly have been killed.

These crimes were evidently reprisals for the murder of Seyyid Abdullah, and it seemed as though political warfare in Tehran was to be carried on by the revolvers of assassins, who were constituting themselves the champions of the rival parties. The state of affairs was becoming intolerable, and the Government began to talk of a general disarmament of the fedâis and mujahids, who were both an expense and a danger to the State.

The Minister for Foreign Affairs mentioned the proposed action to the Russian Minister at the review on the 2nd instant, and when I joined in the conversation, M. Poklewski was giving it his cordial approval, particularly urging the arrest of the murderers of Seyyid Abdullah. As the Russian Minister and I had already talked over the matter, and agreed that we ought to encourage the Government, I expressed similar views, though I rather urged the superior importance of disarming the fedais, as it seemed to me that the arrest of the assassins and the expulsion of the foreign fedais would be a comparatively simple matter when the disarming had taken place. From

* A khesb is only an approximate form of land measurement, and being such, only its approximate equivalent can be arrived at, which is computed thus:—

1 khesi is that amount of land in which 15-20 muunds hawezeh can be sown.

1 jarib = 10000 square feet = 227.27 square metres = 0.22727 hectare = 0.5625 acre = 4669 square yards = approximately 1 acre.

10 jariba or acres = approximately 1 khesb.

what the Nawab said it was clear that the Ministers were apprehensive lest if the fedais should make any serious resistance, the Russian Government should make it a pretext to bring troops from Kazvin to Tehran, and he was obviously relieved when M. Poklewski assured him that there was not, and never had been, any wish on the part of the Russian Government to find a pretext to send troops to Tehran, and the Persian Government could be sure that unless the disarming operations resulted in such serious and prolonged disorders as to be dangerous to foreigners, not a man would be moved. Hussein Kuli Khan also showed some anxiety to find out whether the Russian Minister anticipated that Colonel Vadbolski would raise any objections in case the Government called on the services of the Cossack brigade under his orders. M. Poklewski naturally pointed out that Prince Vadbolski was in the service of Persia, and would of course place his services and advice, and the force he commanded, at the disposal of the Government. If he was asked to do impossible things, he would, of course, raise objections, but only on military grounds.

The same evening Colonel Vadbol'ski was invited to attend a Council of Ministers, and was requested to effect the disarmament. This he declined to do, as he said that a house to house search for arms, such as was then contemplated, required a larger force than the 420-450 men of the brigade then in Tehran, and he would not accept the responsibility of attempting it with the assistance of the half-disciplined forces which were all the support that the Government could offer him, but he was undoubtedly also influenced in his refusal by seeing that the Ministers were by no means unanimous about the wisdom of violent measures. As a matter of fact the idea of immediate coercion was abandoned the same night, and on the next day the Government issued a proclamation announcing that all unauthorised persons were to deliver up their arms against payment within forty-eight hours, after which measures would be taken to seize them. The decision, as I told the Minister for Foreign Affairs, whom I saw that afternoon, seemed to me to be unwise, for it would encourage the fedais to think the Government was vacillating, and it would give them time to prepare for resistance, or at least to hide their rifles, and in the meantime another murder might be committed. But if none of these predictions were fulfilled, the proclamation produced no result in the shape of surrendered rifles. The fedais of all kinds were equally unwilling to surrender the weapons which alone gave them their importance, and they did not believe that the very weak Government was prepared to go to extremities with them. In this, however, they were mistaken, for the Ministers had succeeded in securing the invaluable services of Yeprem, and they could count on the support of Sardar Assad and the Bakhtiaris, who three or four days earlier had declared that they would not assist to disarm the fedais.

On the afternoon of the 6th, fedais of all parties began to collect in the garden close to His Majesty's Legation, known as the Atabek's Park, where Sattar Khan and a few of his followers were living, and the troops and gendarmerie quickly occupied every coign of vantage in the upper floors, and on the roofs of neighbouring houses and on the city walls. Access to the garden was, however, unimpeded, and Bagher Khan, Sattar Khan's colleague in the defence of Tabreez, is known to have left the place and returned to it on the following morning, the 7th. I am reporting in other despatches the events which took place on that day, and it is sufficient to say here that by 9.30 p.m. the fedais had surrendered, Sattar Khan being slightly wounded.

To all appearances the victory of the Government was complete; they had captured about 300 fedais, but when on Monday morning it was known that only some fifty or sixty rifles were forthcoming instead of the 300 which the fedais had taken into the garden, people began to say that the Bakhtiariis who had made the final assault had stolen them; and it was certainly rather a significant fact that these auxiliaries had done a little looting in the neighbouring houses, and in the garden itself. It subsequently transpired, however, that the Government's theory that the rifles had been thrown into a deep tank in the garden was correct, for about 300 were eventually recovered. On the other hand two of the most notorious leaders of fedais, Sardar Mohi and Zergham-es-Sultaneh Bakhtiari, were still at large, the former having betaken himself to his uncle's house in Zerguendeh, where he was secure as being under Russian jurisdiction, and the latter being in hiding, and the surrender of rifles from the fedais and mujahids in the town was pitifully small.

Telrum does not quite know what to make of the situation. It is recognised that the Government has shown courage and energy, and has done a public service in breaking the power of the fedais and mujahids. But on the other hand there is a strong current of sympathy with Sattar Khan, who is believed to have deprecated the resistance in which he was forced by circumstances to take a leading part. There is

also a certain discontent among the Moslems that the direction of the affair should have been placed in the hands of Yeprem, a Christian, and a perceptible anti-Armenian sentiment is abroad; and finally, no one has any real confidence in the Government, which is obviously weak in itself and whose strength in the recent crisis has been borrowed from Sardar Assad behind the scenes.

The bazaars, in spite of the Government's threats, remain partially closed. There has been an attempt by the chief of the clergy to take bast at Shahabdulazim, and Moez-es-Sultan (Sardar Mohi) has left Zerguendeh to take bast with some twenty-five other mujahids at the Turkish Embassy. These incidents, and many others too trifling to recount, are proof of the prevailing uncertainty and apprehension, and so far as I can see the next development will be determined by Sardar Assad, who is believed to be influenced far more by considerations of his personal advancement than by the public interest.

I have, &c.

CHARLES M. MARLING.

[31318]

No. 317.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 153. Confidential.)

Sir,

Culahek, August 11, 1910.

IN my despatch No. 132 of the 15th July I hazarded the hope that the advent to power of a Nationalist Cabinet would, by bringing us into official contact with that party in the person of the new Minister for Foreign Affairs, enable the two legations to dispel to some extent the distrust felt of Russia, and in a less degree of Great Britain also. M. Poklewski and I have, of course, done all in our power to bring about that result, and, happily, the events of the past fortnight have afforded us unexpected opportunities, a few of which I have recorded in other despatches. It would, I am well aware, be premature to say that Hussein Kuli Khan is completely reassured; it would be more correct to say that he is surprised at finding that the attitude of the Russian Minister is so entirely different from that which he has pictured to himself. I am not sure that to say this is to do justice to Hussein Kuli Khan's intelligence, but what I think is certain is that he has, perhaps unavoidably, allowed himself in the heat of party warfare to be pushed by his friends into making political capital out of the anti-Russian feeling which unquestionably exists in Persia, but by no means to the extent which some recent incidents seem to indicate. The Nawab is, consequently, in a difficult position. As president of the committee for Foreign Affairs in the Medjliss he used his influence to prevent the late Cabinet from putting Persia's relations with Russia on a satisfactory footing, and M. Poklewski's action in half-a-dozen questions—as an instance I would cite his having prevented the reinforcement of the consular guard at Kermanshah when the Russian consul's life had twice been attempted by Persian soldiers—has proved to him the readiness of Russia to establish good relations with any and every Government in this country; but if he is to some extent persuaded himself, the Nawab has still to prove to his party the sincerity of his conversion by results. If he can do so by a general settlement of the more important questions pending between the two Governments, of which the chief is the withdrawal of the Russian troops, his position is secure, for he will have done an immense service to his country; but if he fails his numerous enemies will accuse him of having sold himself to Russia. I have seen Hussein Kuli Khan three or four times in the last fortnight, and have done my best to impress on him that his own and his country's interests is in friendly relations with Russia, and to persuade him that the smallest advance on his side will meet with cordial response from M. Poklewski. It is an encouraging sign that something has been achieved, that Nawab should have enquired whether the two Governments were still disposed to assist Persia financially, to which I replied that he could count upon it and that no political conditions would be attached to any advance. On the other hand there is the intention, which I reported in my telegram No. 322 of the 9th instant, to send a reply to the joint declaration of the wishes of the two Powers as regards concessions; but this is, I think, rather a matter of sentiment on which Nawab feels that his past attitude towards the two Powers obliges him to insist provisionally.

On the whole, I think that a small advance has been made towards gaining the

confidence of the Persian Government, and there is also a negative gain to us in the resentment of the Persian Government at the inept and fruitless attempts of the German Minister to mediate between the Government and the Fedais.

I have, &c.

CHARLES M. MARLING.

[31319]

No. 318.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 154. Very Confidential.)

Sir,

Culahek, August 11, 1910.

ALTHOUGH in my telegrams No. 318 and 320 of the 8th and 9th instant I have, I think, given a substantially accurate account of the German Minister's attempt at mediation between the Government and the fedais, whom they had called on to surrender their arms, I venture to think that a more extended account, containing some corrections of detail and one or two additions, will not be without interest.

Count Quadt seems to have arranged on Saturday with the Italian chargé d'affaires and Vassik Bey, a secretary of the Turkish Embassy, that they would visit Tehran on Sunday morning, and the two first-mentioned gentlemen, with a military officer temporarily attached to the German Legation, M. Kamitz, and the German dragoman, M. Litten, arrived there between 7 and 8 a.m. and towards 9 o'clock went, as they assert merely out of curiosity, to see the Atabeg's garden where the fedais were assembled. I must say in this connection that when M. Montagna first told me of what had passed I gained a very distinct impression that, while on the way to the garden, Count Quadt had expatiated on the duty of trying to prevent bloodshed, and that he had a more than half-formal intention, if an occasion presented itself, of trying to offer his mediation. However, they have both since denied that there was any such intention expressed on either side, and in talking to the Russian Minister, Count Quadt declared that he simply went to see what was going on and "get information."

When the party reached the garden they found the gates open, and no objection being raised they entered and got into conversation with Sattar and Bagher Khan. Vassik Bey and another Turkish secretary joined them soon after. Count Quadt told them that it was foolish to attempt resistance as they were completely surrounded by troops and guns, but the fedais were evidently mistrustful of the Government, and Count Quadt then made an appeal to their patriotism by pointing out that their resistance would give the Russian Government a pretext for sending troops to occupy the capital on the ground that foreign lives were in danger. Even this argument failed, and the fedais still stood out for their demands, *i.e.*, payment for their rifles, settlement of the arrears of their pay, and assurances for their lives. At this point M. Montagna had some doubts as to the propriety of the rôle he was playing and made a remark to that effect to the German Minister. The latter, however, succeeded in reassuring him and persuading him to accompany him to the palace, where they found the Ministers for Foreign Affairs and for War, whom they tried to induce to make some concession to the fedais. The Ministers, however, answered coldly that the fedais must conform to the terms of the proclamation, and if they did not, force would be used to compel obedience. Count Quadt then returned to the garden, and this time his arguments seemed to be on the point of success, when a fedai began to complain that the price offered for the rifles was too small, and about the same time mistrust was expressed that the cheques with which the Government was to pay might be stopped. The day was, you will remember, a Sunday, and the Imperial Bank being closed sufficient silver could only be obtained from the mint, and by some accident the coin had not arrived. The fedais therefore asked the German Minister for his guarantee. He refused, but turning to Vassik Bey he urged him to do so, saying that he (Count Quadt) would hold him harmless at Constantinople. Vassik Bey and his colleague agreed to do so, and it was further half understood that the rifles would be received by the Turkish Embassy. These arrangements satisfied the fedais, and thereupon the German Minister quitted the garden, leaving the Turkish secretaries to conclude the business, and shortly afterwards left the town to return to Tadjrish. Near Tehran he met Major Stokes and called to him that he had settled everything and all was arranged. At some previous moment Count Quadt had telephoned to the Turkish Ambassador, and the message, whatever it was, had the effect of bringing his Excellency

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to Tehran at once. He did not meet Count Quadt, but on reaching Tehran, at once sent word to Vassik Bey to come immediately to the embassy. Vassik Bey and his colleague obeyed, and the fedais declined without them to proceed with the surrender of their arms which had just commenced.

During the afternoon Count Quadt returned to Tehran, and while the fighting was in progress, was lamenting his inability to arrest it, and at one moment when Haase, the German instructor of artillery, was about to open fire with a machine-gun, forbade him to do so. In this, perhaps, he was justified, as Haase's instructions preclude him from taking an active part in hostilities. Haase, however, disregarded his Minister's orders and served the gun himself.

As Count Quadt has denied to M. Poklewski that he went down with any intention of interfering, his statement must be accepted; but if circumstantial evidence is worth anything, I think that it is permissible to believe that he made the statement with some mental reservations. In the first place it is remarkable that he should have chosen as his friends just the two persons in the diplomatic body who would be most likely to serve his purpose. The Italian chargé d'affaires is a former acquaintance, and since his arrival, barely two months ago, has almost lived at the German Legation, and it is notorious that all his views of Persian affairs are drawn from that source; what was more natural than that he should have felt confident that his old friend and adviser here would not lead him into any scrape. Vassik Bey is also an intimate at the German Legation, and, indeed, it is practically with Vassik that Count Quadt treats any questions that may arise between the two missions—almost ignoring the Ambassador. Vassik Bey has always acted very independently of his chief, and pretends to treat him with contempt, so that he was just the sort of tool that the German Minister would require. Then again the excuse that he went to "gain information" is palpably weak. A foreign Minister may in such circumstance as then prevailed like to satisfy himself personally of the state of security of the town and of his countrymen, but it is an elementary rule that he should not visit persons in resistance against the authorities unless he has first ascertained the wishes of the Government. In the circumstances I think it impossible to acquit Count Quadt of having gone to town with an *arrière-pensée*. He probably calculated that with Herr Kinderlen Wachter at the Foreign Office in Berlin instead of Herr von Schoen, his "indiscretion" would be condoned, provided it was crowned with success; while if he failed, it could be excused on the grounds of humanity.

There is, however, one point in his conduct which is inexcusable, namely, that he should have employed the argument that resistance on the part of the fedais would offer Russia a pretext for occupying Tehran. It is certain that he did use this argument, for when taxed with it by M. Poklewski, he was unable to deny it.

As it is I think that Count Quadt's action has done his cause no good. The Persian Government resent the mere fact of his intervention, and they wisely refused to follow his advice to make any concession to the fedais; but if they had accepted it, they would have had to thank him for a most certain diminution of their prestige. It is also possible that the interest he showed in the fedais by his mediation encouraged them to hope that after all the Government might relent. His mediation failed, but if it had succeeded there can be no question but that—even though the Government might resent his intervention—Germany would have acquired a new importance in the eyes of the public. Count Quadt probably thought the risk worth running.

The Italian chargé d'affaires acted, I am convinced, in all innocence, and it is to be hoped that his Government will not take too serious notice of an indiscretion into which he was led by too great confidence in the representative of an allied Power.

I have, &c.

CHARLES M. MARLING.

[31320]

No. 319.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 155.)

Sir,

Gulahck, August 11, 1910.

THE Cossack brigade took very little part in the disarmament of the fedais in the city on the 7th instant, but a detachment of them posted to observe one of the main thoroughfares captured some ten fedais, who were at once conveyed to the Cossack summer camp at Kasr Kajar. Among the prisoners were two Russian subjects, and Colonel Vadbolsky, instead of handing them over to the Persian authorities, asked

M. Poklewsky by telephone whether he should send them to the Russian Legation. M. Poklewsky at once replied that they should be treated like the other prisoners, and he (M. Poklewsky) would apply officially for them to be surrendered to the legation. Prince Vadbolsky thereupon requested instructions from the Minister of War as to the disposal of the prisoners, but he received no reply until Wednesday, when Kawam-es-Sultaneh sent orders that they should be delivered to the police. The colonel at once gave the necessary orders, but to his surprise his men refused to obey him. Their argument was that they would have been quite ready to shoot the prisoners when they were captured, but now the prisoners had eaten their bread they were, according to all Persian ideas, in bast with them, and they could not be surrendered to the Government. Every kind of argument was exhausted by the Russian and Persian officers to persuade the troopers that the prisoners would have a fair trial, and, finally, out of the 160 who had refused to obey orders, all but about 50 were won over, but these 50, taking one of the prisoners with them, made off to Zerguendeh about sunset, arriving there about 8.30. The majority remained in the village, but three presented themselves at the Russian Legation, saying they had come there rather than to another legation, as they considered the Russian Minister, as representing the Czar, to be Colonel Vadbolsky's superior, and that they had come to take bast. Their demeanour was throughout perfectly respectful, and they entirely realised the gravity of their offence from a military point of view, but nothing could shake their view that it was impossible for them to be parties to handing over prisoners who had for three days "eaten their bread." Finally, M. Poklewsky ordered them to deliver their prisoner to his keeping, to which they made no demur, and then by alternate coaxing and threatening he induced them to return to the camp under the charge of M. van der Gucht, one of his secretaries, and the whole of his escort of eighteen Russian Cossacks.

M. Poklewsky hopes that the affair will blow over without attracting too much attention, and I only report it as a very curious and interesting sample of the mentality of Persians.

I have, &c.

CHARLES M. MARLING.

[31322]

No. 320.

Mr. Marling to Sir Edward Grey.—(Received August 29.)

(No. 157.)

Sir,

Gulahck, August 11, 1910.

I HAVE the honour to transmit herewith a memorandum by the military attaché to His Majesty's Legation reporting on the fighting which took place on the 7th instant.

On Sunday morning, when the situation appeared to be growing serious, I directed Major Stokes to proceed to the legation in town, as I considered it desirable to have a member of His Majesty's Legation present, and he remained there until Monday evening.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 320.

Memorandum by Major Stokes respecting the fighting at Tehran on August 7, 1910.

BY 1 P.M. on the 7th August some 300 men, who refused to lay down their arms in accordance with the proclamation of the Persian Government issued on the 4th, had assembled in the garden known as the Atabeg's Park. The park has been occupied for some time past by Sattar Khan and his followers. They were joined during the morning by Bagher Khan. Of the 300 men, however, a large number were followers of other leaders, notably Sardar-i-Mohi (Moez-es-Sultan), who, having encouraged their men to retain their arms, left them in the lurch when it came to fighting. There is good reason to believe that Sattar Khan was against fighting, but was overruled by the men. In the hope of securing a peaceful settlement, the time of the expiry of the Government's ultimatum had been postponed until noon, and further delay was caused by the appearance on the scene of German and Turkish diplomatists. Negotiations

continued during the morning, but proved abortive. Meanwhile, the Government forces detailed to deal with the fedais had been paraded, the approaches to the park had been secured, and some troops had already occupied and fortified positions whence they could fire on the park. Yefraim, who, conjointly with Sardar Bahadur, Bakhtiari, was in command of the forces, was at the central police station, while two of his orderlies awaited instructions at the palace, where the Cabinet was assembled. At 2 P.M. an enquirer at the palace was officially informed that, failing the laying down of arms, offensive measures would be taken within an hour. This was the situation when, at 2.30 P.M., one of the fedais attempted to leave the park by the main gate. A gendarme told him he must lay down his arms if he wished to go. The man immediately fired at the gendarme with a Mauser pistol, but missed him. A Bakhtiari shot the fedai, who, badly wounded, attempted to regain the park. Two or three of his friends came out to pull him in, whereupon firing became general. The Government troops now began to occupy positions for a regular attack on the park, and while they were doing this those already in position maintained a desultory fire on the defenders. The park is a rectangle, 500 to 600 yards long and 130 yards wide, its north wall lying within 100 yards of the northern ramparts of the town, which command it. It is surrounded by a mud wall 15 feet high and about 2 feet thick, and has three gates, at the south-east and south-west corners, and in the centre of the south face. Along each face runs a street, the opposite side of which is formed by houses or garden walls which are high enough to command the interior of the park. The park, which is fairly thickly wooded, contains two houses, one of them having two storeys. At 4.45 P.M. the attack was begun in earnest, two Creusot quick-firing guns and two Maxims being brought up. One Maxim, posted at the north-east corner of the British Legation, fired at intervals along the south face of the park, but was never directed at the park itself. One quick-firing gun put several shells into the park, but the field guns for the most part endeavoured to make breaches in the park wall. The defenders fired in most cases from loopholes made in the wall. At 7 P.M. an Austrian pattern field gun was brought up to the north-east corner of the British Legation, whence it opened fire on the south-east corner of the park. A breach was effected near the south-west corner of the park at about 8 P.M., and the door at that corner was set on fire. The attackers entered at this point about an hour later, and by 10 P.M. Sattar and Bagher Khans and 270 men were prisoners, besides some thirty or forty bazaar people who had come to the park to join in what they thought was a demonstration and had been unable to get away when the fighting began. Though over 2,000 troops were held in readiness by the Government, less than 1,000 actually took part in the fight. The Government losses were five killed and about a dozen wounded. The fedais lost fifteen killed and twenty-seven wounded, among the latter being Sattar Khan. Of ten corpses of fedais I saw in the park, eight had been shot through the head, presumably at loop-holes. The troops under arms were:—

Regular infantry	..	..	..	..	..	600
Regular cavalry	..	..	..	..	..	180
Gendarmes	..	..	..	..	..	300
Police	..	..	..	..	..	250
Cossacks	..	..	..	..	..	50
Bakhtiari	400
Road guards	150
Total	2,130

C. B. STOKES, Major,
Military Attaché.

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No. 321.

Mr. O'Beirne to Sir Edward Grey.—(Received August 29.)

(No. 319.)

Sir,

St. Petersburg, August 20, 1910.

THE Acting Minister for Foreign Affairs informed me on the 15th instant of the report which he had received from the Russian Minister at Tehran regarding the introduction by the Persian Government into the Medjliss of a proposal for the employment of foreigners to reorganise the Persian civil services. M. Poklewski's report differed in some minor details from that furnished to you by Mr. Marling in his telegram No. 326 of the 16th August, but it stated that the Persian Government

proposed to employ a certain number of Frenchmen in the financial department and of Italians in the gendarmerie. M. Poklewski had also reported that the Persian Government were believed to contemplate the employment of Austrians as military instructors.

In the course of a short conversation which we had on this occasion M. Sazonow showed himself fully alive to the danger that if Persia called in the assistance of nationals of great Powers other than England and Russia the German Government would claim that Germans also should be engaged. His Excellency said, however, that if the German Ambassador came to him with representations on the subject he proposed to tell him with representations on the subject he proposed to him that Germany should address herself not to the Russian but to the Persian Government in this matter; that Russia and England were specially interested in the financial branch of the Persian administration, but that if the Persian Government chose to employ Germans, in the gendarmerie, for instance, that was the affair of the Persian Government and not of the two Powers. It seemed to me that there were obvious objections to a reply in this sense being given to Count Pourtalès, and I said to M. Sazonow that the employment of German officers in the gendarmerie would certainly be used by Germany to create trouble of all kinds for the two Powers. His Excellency readily acquiesced and showed no wish to adhere to the particular form of reply to the German Ambassador which he had indicated. I gathered generally, as stated in my telegram No. 223 of the 15th August, that before coming to any definite conclusions he was anxious to know your views.

Yesterday morning I had the honour to receive your telegram No. 449 of the 18th August stating your views as to the intimation which should be made to the Persian Government on the subject of the employment of foreigners, and informing me of the communication which with the concurrence of the Russian Government you proposed to make to the Italian Government in this connection. I at once called on the Acting Minister for Foreign Affairs and read your telegram to him. M. Sazonow said that he entirely agreed in the advisability of the proposed friendly and unofficial intimation to the Persian Government, and that he would immediately telegraph instructions to the Russian representative at Tehran in the sense suggested by you. He remarked that the fact of the two Powers having made the intended communication to the Persian Government would strengthen their hands in the event of any remonstrances coming from Germany. I may note that His Excellency appeared to see no objection to the employment of subjects of a minor Power as military instructors, although the Russian Government not long ago certainly contemplated that the task of military reorganisation should be reserved to Russian officers; and it seems from Mr. Marling's telegram No. 330 of the 17th instant that M. Poklewski takes the same view of the matter as M. Sazonow.

As regards the reply which you proposed to return to the communication from the Italian Government, M. Sazonow told me that a similar communication had been made to him by the Italian Ambassador here, and that he would at once instruct the Russian representative in Rome to give the Italian Government an answer in the terms which you proposed.

I have, &c.

HUGH O'BEIRNE.

[31373]

No. 322.

Sir G. Lowther to Sir Edward Grey.—(Received August 29.)

(No. 590.)

Sir,

Therapia, August 21, 1910.

ON receipt of your telegram No. 207 of the 15th instant, relative to the action of the German Minister at Tehran in intervening in the Government's difficulties with the fedais, I spoke in an unofficial and private manner to the Under-Secretary for Foreign Affairs on the 17th instant, in the absence of the Minister, regarding the incident, and he assured me that the action of the Turkish Secretary at Tehran in supporting the German Minister's action has met with the disapproval both of Rifaat Pasha and of the Sublime Porte.

In a conversation which I had with Rifaat Pasha himself on the 20th instant, his Excellency observed that the action of the German Minister was possibly dictated by a

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desire to avoid the shedding of blood; but he added that the action of the Turkish Secretary had been disapproved of by his Government.

I explained to him what had really occurred.
I have sent a copy of this despatch to Tehran.

I have, &c.

GERARD LOWTHER.

[31328]

No. 323.

Mr. O'Beirne to Sir Edward Grey.—(Received August 29.)

(No. 350.)

Sir,

St. Petersburg, August 21, 1910.

ON the 16th instant, having received your telegram No. 438 of the previous day, I called on the Acting Minister for Foreign Affairs and handed to him the *aide-mémoire* of which I have the honour to enclose a copy (Enclosure No. 1) stating that the Persian Government had accepted the terms on which the Anglo-Persian Oil Company proposed to make them a loan of 500,000*l.*, and that the loan contract was ready for signature. I enquired whether the Russian Government had any objection to the company's agent in Tehran being authorised to sign the contract without further delay.

M. Sazonow said at once that in principle the Russian Government entirely approved of a loan such as proposed; and I may mention here that a good reason for their welcoming an advance of money to the Persian Government by private firms is that it removes the pressing need for an advance by the two Powers, in which as you are aware the Russian Government agreed to join only in deference to the wishes of His Majesty's Government and to which the Russian Finance Minister in particular consented with the greatest reluctance. M. Sazonow added, however, that the Russian Government had this objection to the immediate signature of the loan contract, that it would in their opinion destroy all prospect of the conversion of the debts due from the Persian Government to the Russian bank.

Yesterday, his Excellency handed to me the memorandum of which I have the honour to enclose a translation (Enclosure No. 2) giving the substance of a telegram from the Russian Minister at Tehran on the subject of the proposed loan. M. Poklewsky, after giving details regarding the proposed agreement between the Anglo-Persian Oil Company and the Persian Government, expresses the opinion that from the point of view of Russian interests it would be unquestionably desirable that the contract should be postponed until the completion of the negotiations for the conversion of the debts due to the Russian bank, "to which 'conversion,' he adds, "the Persian Government are to proceed one of these days."

In handing me this communication, M. Sazonow remarked, that its concluding sentence seemed to hold out some hope of the conversion of the bank debt being carried through. His Excellency also called my attention to M. Poklewsky's statement that the company wished the surplus of the southern customs to be made part security for the proposed loan, and he seemed to consider that this would be inconsistent with the stipulation agreed to by His Majesty's Government at the commencement of last month, to the effect that both southern and northern customs should be security for the joint advance then in contemplation by the two Powers. I said, in reply, that if the oil company's loan was concluded, I rather supposed that the idea of the joint advance would be dropped. The question of the security for the latter would, therefore, not arise.

I need not report to you the arguments which I have used to M. Sazonow on different occasions to show that the conclusion of the oil company's loan would not in reality be prejudicial to the conversion of the debts to the Russian bank. It is evident that the Russian Government wish to delay the company's loan not because it would in itself prejudice the conversion of the floating debts, but because by withholding their consent to it they can bring pressure to bear to expedite the conversion negotiations. I may point out, however, that if it came to a choice between a loan being made to the Persian Government by a private firm, and the Russian Government being called upon to join in an advance, they would greatly prefer the former alternative. It is possible, therefore, that if the Persian Government, in view of the postponement of the company's loan, now apply to the two Powers to carry out their

offer of an advance which is still open, the Russian Government might be disposed to reconsider the position which they have taken up in this question.

I have, &c.

HUGH O'BEIRNE.

Enclosure 1 in No. 323.

Aide-mémoire communicated to M. Sazonow by Mr. O'Beirne.

EN se référant à l'aide-mémoire du Ministère Impérial des Affaires Étrangères du 4 (17) juillet, 1910, l'Ambassade britannique se fait un devoir de porter à la connaissance du Ministère qu'à la suite des pourparlers qui ont eu lieu ces derniers jours entre la société Anglo-Persian Oil et le Gouvernement persan ce dernier vient de se déclarer prêt à accepter les conditions posées par la société en vue d'un emprunt au Gouvernement du montant de 500,000*l.* La société est maintenant désireuse d'autoriser son agent à Téhéran à signer sans délai le contrat de l'emprunt, et l'ambassade serait heureuse d'apprendre si le Gouvernement Impérial y verrait d'objections.

Saint-Petersbourg, le 3 (16) août, 1910.

Enclosure 2 in No. 323.

Note by Russian Minister at Tehran.

(Translation.)

No final agreement has yet been arrived at between the Government of the Shah and the Anglo-Persian Naphtha Company. Only the general basis of such an agreement has so far been drawn up which is as follows:—

The amount of loan to be 500,000*l.* at 5½ per cent. at 83 per 100, which will give the Persians a clear 415,000*l.* The term of amortisation is sixty years. In addition the company receives, instead of the three (3) concessions previously proposed, the right to work all minerals approximately between 32 and 40 parallels (meridian of Greenwich), and from the 30½ parallel south to the sea. Upon the formation of the company for working this concession, the Persian Government receives in cash the sum of 30,000*l.*; 20,000 shares and 10 per cent. of the net profits (revenue). The company also binds itself to advance the Persian Government a sum amounting to 500,000*l.* for the construction of a tramway, probably from Bunder-Abbas to the mines. The tramway will be constructed by the company at the expense of the Persian Government, will be controlled by the company, moreover, the company will enjoy a reduction of 33 per cent. on the general tariff for loading the property of the company conveyed on the line.

As security for the loan the company demands, in addition to the shares of the Persian Government in the naphtha business, revenue from the telegraphs and residue from the receipts of the southern customs. To this the Persians have not as yet agreed.

From the point of view of our interests, I consider it unquestionably desirable that the above-mentioned agreement shall be postponed until the completion of the negotiations respecting the conversion of the debts owing to our bank, to which conversion the Persian Government are to proceed one of these days.

Tehran, August 6 (19), 1910.

[31377]

No. 324.

Sir G. Lowther to Sir Edward Grey.—(Received August 29.)

(No. 594. Confidential.)

Sir,

Constantinople, August 23, 1910.

WITH reference to my despatch No. 578 of the 16th instant, I have the honour to forward herewith a despatch from His Majesty's consul at Erzeroum, respecting the recent Turco-Persian frontier incident near Kizil Dize.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 324.

Consul McGregor to Sir G. Lowther.

(No. 56. Confidential.)

Sir,

Erzeroum, August 13, 1910.

WITH reference to my despatch No. 54, Confidential, of the 5th instant on the subject of the recent Turco-Persian frontier incident near Kizil Dizé, I have the honour to report to your Excellency that, from the meagre details which I have been able to collect, no progress appears to have been made towards a mutual settlement. It would appear that the vali, who has been at Bayazid for more than a week, was instructed to discuss the matter, not with the Persian vice-consul at Bayazid, but with the consul-general at Erzeroum, and the latter had been instructed by his Ambassador in the same sense. He alleges, however, that he cannot proceed to Bayazid without orders from the Persian Minister for Foreign Affairs, and for that reason the beginning of the negotiations is still delayed.

With regard to the facts of the case, Emin Pasha, acting chief of the Erzeroum division, stated to me to-day that the intervention of the Turkish troops was rendered necessary on account of sanguinary altercations between Turkish and Persian Kurds, each party claiming the right to mow certain fields on either side of the frontier; and that up to the present no Turkish troops had entered Persian territory. His Excellency was, however, unable to say how many troops had been dispatched to the scene of the incident, and, in reply to a question, he declared with emphasis that, as he had no map, he did not know where the frontier was.

Emin Pasha further informed me that the Russian consul at Maku had hurried to the spot and, after a minute inspection of the locality, had crossed the frontier (your Excellency will observe the contradiction involved in this statement), and had proceeded to Bayazid, where he taxed the authorities with a violation of Persian territory. The Mutessariff and the commandant of Bayazid replied that the matter was one which did not concern the Russian Government, and the consul thereupon took his departure. The action of this official, Emin Pasha declared, was most significant, and it was difficult not to suspect that the whole incident had been planned by the Russian Government with the object of finding a pretext for an eventual occupation of the region of Maku.

With regard to the closing of the Persian frontier at Kizil Dizé, as reported in my despatch already referred to, I have ascertained from a trustworthy source that the measure was prescribed by the Minister of the Interior, without the knowledge of the Board of Health, and was applicable to the whole frontier in this vilayet. Although I understood that there is no cholera in Northern Persia, this somewhat high-handed proceeding has now received the sanction of the board, and medical inspection has been prescribed at Kizil Dizé and Kurji Bulak, a doubly illusory precaution, seeing that there are no doctors available to put it into execution.

The conclusion forced upon one is that the frontier has been closed for political reasons, and the few facts which have leaked out with regard to the incident as a whole tend to confirm the general impression that, however the original pretext may have been furnished, the Turks have taken advantage of it to continue the policy so successfully pursued by them further south.

The Persian consul-general informs me that he has received no news recently from Bayazid, and I understand that the vali will return to Erzeroum in about ten days.

I have, &c.

P. J. C. MCGREGOR.

[31345]

No. 325.

Mr. O'Beirne to Sir Edward Grey.—(Received August 29.)

(No. 355.)

Sir,

St. Petersburg, August 24, 1910.

ON the receipt of your despatch No. 219 of the 8th instant, I handed to the Acting Minister for Foreign Affairs the *aide-mémoire* of which I have the honour to enclose a copy, explaining the nature of the scheme under contemplation by His Majesty's Government for the policing of the South Persian trade routes, and proposing that instructions should be sent to the representatives of the two Powers in Tehran to make a strong joint representation to the Persian Government regarding the insecurity now

prevailing on these roads, and to insist on the scheme in question being accepted by the Persian Government.

I enclose also a copy of the *aide-mémoire* which I received yesterday from the Russian Government in reply. In this communication it is stated that the Russian representative will be instructed to join with his British colleague in making the strong joint representation to the Persian Government suggested by you in regard to the existing insecurity on certain roads. It is added that the Ministry for Foreign Affairs see no objection to the proposed levy of a force analogous to the Persian Cossack Brigade, to be commanded by Indian officers, provided that its activity does not extend to points in the Russian sphere such as Ispahan. It is further stated that from information recently received the Russian Government believe that the period of "two months" which His Majesty's Government propose to allow to the Persian Government to restore order themselves is not sufficient, and that it would be preferable to extend it to three months, more particularly in view of the impending appointment of a new Governor-General of Fars, probably Prince Ain-ed-Dowleh.

I have, &c.

HUGH O'BEIRNE.

Enclosure 1 in No. 325.

Aide-mémoire communicated to M. Sazonov by Mr. O'Beirne.

IN an *aide-mémoire* dated the 16th (29th) July, 1910, His Majesty's Embassy communicated to the Imperial Ministry of Foreign Affairs the substance of information received from His Majesty's chargé d'affaires at Tehran relative to the insecurity prevailing on the trade routes of Persia, more particularly in the southern districts. His Majesty's Embassy proposed that the two representatives at Tehran should be instructed to make a strong joint representation to the Persian Government on the subject.

A despatch has now been received from His Majesty's chargé d'affaires, of which an extract is enclosed,* giving particulars respecting the increasing disorders on the southern and other roads in Persia. In this despatch Mr. Marling suggested that the Persian Government should be informed that if order on the southern roads was not restored by the end of September His Majesty's Government would themselves undertake to perform that duty.

His Majesty's Government, while fully appreciating the importance of the prompt restoration of order, consider that the policy of active intervention suggested by Mr. Marling is open to objection. On the other hand, they have adopted a suggestion put forward by His Majesty's Minister at Tehran, who has recently been in London on leave of absence. Sir George Barclay suggested that the Persian Government should be informed that if they fail to restore order on the southern trade routes by the end of September His Majesty's Government will feel obliged to insist on the formation of a force of 1,000 or 1,200 men, analogous to the Cossack Brigade, for the protection of the roads. This force would be levied and officered by eight or ten officers of the Indian army, lent for the purpose by the Government of India.

His Majesty's Embassy is instructed to bring the nature of this scheme to the knowledge of the Imperial Government, and to propose that, when making the joint representation suggested in the *aide-mémoire* above referred to, the two representatives should insist on the scheme being accepted by the Persian Government.

St. Petersburg, July 30 (August 12), 1910.

Enclosure 2 in No. 325.

Aide-mémoire communicated to Mr. O'Beirne by M. Sazonov.

LE Ministère Impérial, ayant soumis à un examen attentif les propositions qui ont fait l'objet de l'*aide-mémoire* de l'Ambassade britannique en date du 30 juillet (12 août), année courante, consent à ce que le Ministre de Russie à Téhéran, conjointement avec son collègue britannique, attire d'une façon énergique l'attention du

* Mr. Marling, No. 114, July 2, paragraphs 1, 2, 3, 4, and 5, down to "unsafe."

Gouvernement persan sur l'insécurité qui existe sur certaines routes commerciales en Perse.

Quant à la formation projetée d'une force de 1,000 ou 1,200 hommes sous les ordres de huit ou dix officiers de l'armée des Indes, dans le genre de la Brigade des Cosaques persane, pour la sauvegarde desdites routes, le Ministère Impérial n'y voit pas d'objections, à la condition toutefois que l'activité de cette force ne s'étende pas sur des points situés dans la sphère d'influence russe, tels qu'Ispahan.

Se basant sur les renseignements qu'il vient de recevoir, le Gouvernement Impérial pense que le terme de deux mois projeté par le Gouvernement britannique pour la restauration de l'ordre sur les routes par le Gouvernement persan lui-même est insuffisant, et qu'il vaudrait mieux le porter à trois mois, d'autant plus que la nomination d'un nouveau Gouverneur général du Fars—probablement celle du Prince Aïn-ed-Douleh—doit avoir lieu un de ces jours.

Saint-Petersbourg, le 9 (22) août, 1910.

[31346]

No. 326.

Mr. O'Beirne to Sir Edward Grey.—(Received August 29.)

(No. 356.)

Sir,

St. Petersburg, August 24, 1910.

IN continuation of my despatch No. 350 of the 21st August, I have the honour to state that, having to-day attended M. Sazonow's weekly reception, I took the opportunity of alluding to the question of the Anglo-Persian Oil Company's proposed loan to the Persian Government. I remarked that if this loan was postponed owing to delay in the conversion of the debts owing to the Russian Bank, the probable result would be that the Persian Government would apply to the two Powers for the advance offered by them—an offer which still remained open. I said that I believed the Russian Government would rather see a loan made by the oil company than find themselves called upon to take part in one themselves, and I asked if I was right in so thinking.

M. Sazonow at once agreed that this was the case, but said that, even if the Persian Government did secure the proposed loan from the company, it would not long suffice for their needs, and they would be sure to come to the two Powers for further financial assistance within the next few months. If the southern customs had meanwhile been made part security for the company's loan, there would then remain no sufficient security for an advance by the two Powers. The proposed loan by the company did not therefore constitute a real solution of the present difficulty. His Excellency would have thought it preferable if the company could have arranged for a loan of a larger amount, such as would have removed the necessity for the Persian Government of subsequently applying to the two Powers.

M. Sazonow had evidently not gone into the question how far it would be practicable for the Anglo-Persian Company to find security for a much larger loan than that now contemplated. But his remarks make it plain that, from the point of view of the Russian Government, the main thing to be desired is that they should not themselves have to advance money to the Persian Government.

I have, &c.

HUGH O'BEIRNE.

[31549]

No. 327.

Mr. O'Beirne to Sir Edward Grey.—(Received August 29.)

(No. 240.)

(Telegraphic.) P.

St. Petersburg, August 29, 1910.

PERSIAN loans. Your telegram No. 494 of the 27th August.

It seems to me clear that the Russian stipulation as to the conversion of the Persian Government's debts to the Russian bank prior to the conclusion of an advance does not apply to an advance, which the two Powers might make to the Persian Government. The text of the *aide-mémoire* from the Russian Ministry of Foreign

Affairs of the 17th July last (see my despatch No. 316) implies that this is the Russian view; cf. the following phrase: "Que la conversion . . . en dehors des Gouvernements russe et anglais."

Unless you think it necessary for me to do so, I should be inclined not to address an enquiry on the subject to the Russian Government.

[31266]

No. 328.

Foreign Office to Mr. C. W. Wallace.

Sir,

Foreign Office, August 29, 1910.

WITH reference to your letter of the 22nd instant, and conversations which have taken place at this Office, relative to the proposed advance to the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran stating that the negotiations on this subject, which he reported on the 24th instant to have broken down, have been resumed, and that the Persian Government now ask for a loan of 100,000*l.* on the security of the surplus revenues of the southern customs, or of 200,000*l.* on the same security, with the addition of their interest in the Anglo-Persian Oil Company.

You are aware from the conversations above referred to of the objections felt by His Majesty's Government to the use of those surplus revenues for the purpose in question, and of the grounds on which those objections are based, but it was understood, from observations which you made on the occasion of your last visit, that the group who were contemplating the advance of 400,000*l.* would be unwilling to accept any arrangement whereby these sums would be eliminated from the security offered.

I am to suggest, however, that, as the advance of so large a sum as 400,000*l.* appears no longer to be in question, your group might be prepared to reconsider their position and accept the Persian Government's interest in the Anglo-Persian Oil Company as sufficient security for an advance of 100,000*l.* if it is decided only to lend that sum on that interest with the addition of the profits of the company and of the new company which will be formed to work the concession which it is now sought to obtain for the exploitation of the minerals in the district of Kerman.

I am to add that Sir E. Grey much appreciates the trouble which you and the gentlemen associated with you have been good enough to take in order to oblige His Majesty's Government in the matter of this advance.

I am, &c.

LOUIS MALLET.

[30851]

No. 329.

Foreign Office to Anglo-Persian Oil Company.

(Confidential.)

Sir,

Foreign Office, August 29, 1910.

WITH reference to previous correspondence relative to the project for the acquisition, in the name of Mr. R. Tarbett Fleming, of a concession for the exploitation of minerals in the district of Kerman which is at present the subject of negotiation with the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that, according to a telegram from His Majesty's chargé d'affaires at Tehran, one of the chief inducements which the Persian Government would have to grant this concession is the prospect of the construction, in connection with it, of tramway lines between Kerman and the coast of the Persian Gulf, and Mr. Preece, in conducting the negotiations, has accordingly proceeded on the assumption that a trunk line will be built to Kerman with branches to the mines. He has now, however, received instructions to insist that the contemplated line shall have the mines themselves, and not Kerman, as its objective.

Mr. Marling is of opinion that the prospects of obtaining the concession will be seriously affected if this condition is maintained.

While bringing to your knowledge these facts, which may prove useful to the parties interested in the enterprise, I am to state, for their confidential information, that Sir E. Grey has been approached by another British group of substantial financial standing anxious to obtain from the Persian Government a concession for the construction

of a caravan road between Kerman and Bunder Abbas, with powers to develop this road into a cart road to be used for motor traffic, and eventually, if permissible, to build a railway either along or beside it.

I am to state that this scheme, which has not yet been carried beyond the earliest stage, was brought to Sir E. Grey's notice a considerable time before he was aware that such a project, or anything analogous to it, formed part of the work to be undertaken by the group in which your company are interested, if they are successful in obtaining the concession now sought, but I am to point out that, if the other group eventually mature their plan to the point of opening negotiations with the Persian Government on the subject, Sir E. Grey will not be in a position to afford your company's syndicate exclusive support in connection with this part of their programme, since such action would involve preferential treatment of one British enterprise as against another.

I am to add that, in the opinion of His Majesty's Minister at Tehran, who has now returned to his post, it is doubtful whether the Persian Assembly are better disposed towards foreign enterprise in Persia than they were at the end of last year. He further states that, though danger from gun-runners has practically ceased in Southern Persia, recent reports from the district of Kerman do not show that a state of security exists there sufficient to warrant the dispatch of an engineer to make surveys with a view to the construction of a road, unless accompanied by a strong escort, though he is making further enquiries on this point.

It therefore appears unlikely that any steps towards the realisation of the scheme can usefully be taken, in any case for the present.

I am, &c.
LOUIS MAILLET.

[31643]

No. 330.

Messrs. Dixon and Co. to Foreign Office.—(Received August 30.)

(Private and Confidential.)

Whitworth House, Princess Street, Manchester.

Sir,

August 29, 1910.

WE beg to address you in connection with the state of our trade with Persia. We have from time to time made representations, both personally and in conjunction with others, concerning the extremely adverse conditions prevailing in the country, their effect upon trade and the necessity of action being taken to make the trade routes safe. We do not at this time write further on these matters, but would respectfully draw your attention to our own individual position at the present time as compared with a few years ago.

Prior to the commencement of the troubles in Persia our trade there had been for many years steadily progressive and mainly profitable, any losses that were incurred being such as are normally to be anticipated in such a country: our turnover had reached some 150,000*l.* per annum, and we had every reason to expect to continue similar trading to the advantage not only of ourselves, but generally of the cotton goods producers of this district.

But in the past few years the whole situation has completely changed—from prosperity to practically a ruinous position. In that time, instead of gaining any profit we have suffered actual loss to the extent of some 8,000*l.*, directly attributable to the lawless state of the country, the cause of the losses arising mainly from direct robbery on the roads of our goods, and also from robbery of our customers' goods for which in consequence they have been unable or have refused to pay us. So disastrous have been our ventures that we have been compelled to reduce our exports to one-third of what they were, and have sent even this diminished quantity in great fear of results, and solely for the purpose of retaining some hold of the trade which has taken so many years of labour to establish, and which we feared might otherwise be transferred to traders in other countries and thus be permanently lost to Lancashire.

We are moved to write this in the belief that the extremely serious and dangerous state of affairs has not been fully understood, and in the hope that if some action is contemplated it may be taken with as little delay as possible.

Thanking you in anticipation for sympathetic consideration of the facts we have placed before you, we have, &c.

H. C. DIXON AND CO.

[31205]

No. 331.

Sir Edward Grey to Sir G. Barclay.

(No. 143.)

Sir,

Foreign Office, August 30, 1910.

I HAVE received Mr. Marling's despatch No. 116 of the 4th ultimo, relative to the question of the Turco-Persian frontier in the neighbourhood of Mohammerah, in which he offers certain observations in support of the contention advanced by His Majesty's consul-general at Bushire and consul at Mohammerah that His Majesty's Government, if this question is raised, should insist on the recognition of the line at present locally admitted in preference to that laid down by the mediating commissioners.

You will by now have become aware that Lieutenant Colonel Cox forwarded direct to this Office a copy of his despatch No. 25 of the 8th May, which forms the enclosure to the communication under reply, and you will have perused my despatch No. 102 of the 27th June, enclosing a copy of the answer which I caused to be returned to him, and which contains an expression of my views on this question.

To what I there said I may now add that His Majesty's Government will of course use their best endeavours to prevent this question being raised by the Turkish Government at all, or, if they insist on raising it, to persuade them to desist, but that it would be difficult, while urging them to abide by the decision of the mediating commissioners as regards the northern portion of the frontier, to insist on their disregarding it as regards the southern, even granting that they themselves were to adopt an equally illogical attitude in the matter.

Should the question, however, be forced on His Majesty's Government it would of course be open to them to negotiate for the recognition of the locally accepted boundary while retaining that of the mediating commission as the basis of discussion, and they can with equal justice refuse to tolerate the recognition of anything but the *status quo* as regards the southern portion of the boundary until the Turkish Government admit the line of the mediating commissioners in the north.

I am, &c.
E. GREY.

[31776]

No. 332.

Sir G. Barclay to Sir Edward Grey.—(Received August 31.)

(No. 345.)

(Telegraphic.) P.

Gulahek, August 31, 1910.

SOULET-ED-DOWLEH.

Soulet-ed-Dowleh's designs are evidently causing the Persian Government some uneasiness. A threatening telegram has been received from him, and in Ispahan it is believed that he intends to march on the capital.

Sardar Assad has ordered 2,000 Bakhtiari reinforcements to proceed to Ispahan from Charnahal.

[31549]

No. 333.

Sir Edward Grey to Mr. O'Beirne.

(No. 511.)

(Telegraphic.) R.

Foreign Office, August 31, 1910.

YOUR telegram No. 240 of the 29th August: Loan to Persia.

I agree.

[31863]

No. 334.

Mr. Wallace to Mr. Mallet.—(Received September 1.)

Dear Mr. Mallet,

The Raven Hotel, Droitwich, August 30, 1910.

AFTER telegraphing as I told you that the Persian Government was willing to accept the loan which I have been working at for so long, Mr. Preece wired that the Ministers had changed their minds again, and told him that Persia would have no difficulty in borrowing (presumably elsewhere) at 5 per cent. interest, with an issue

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price of 83l. per cent., also that they would now not agree to hypothecate the securities that I had asked for. Mr. Preece added that information to the same effect was being wired to you from the legation at Tehran. You have probably, therefore, already heard of my failure to come to terms with the Persians.

I am sorry to have failed at that end—when I did not expect to fail—after succeeding in the seemingly much more difficult task of getting men willing to lend to Persia on any terms, but I will renew the effort if the Persians change their minds again.

I am, &c.
C. W. WALLACE.

[31896]

No. 335.

Sir G. Barclay to Sir Edward Grey.—(Received September 1.)

(No. 346.)

(Telegraphic.) P.

Gulahek, September 1, 1910.

TURKS and Sheikh of Mohammerah.

I have received His Majesty's consul-general at Bushire's despatch No. 40 of the 16th June, and I submit that, at least with regard to the vali's bombardment of Zain, the contents entirely vindicate Sheikh Khazal. During the whole period he acted with moderation, and followed implicitly the advice tendered by British consular officers.

There appears to me, therefore, no reason why the assurances should not be given to him, accompanied by the decoration.

The case against the Vali of Bussorah is very strong as presented by Lieutenant-Colonel Cox. It is evident from his above-mentioned despatch that the vali is hostile to our interests at the head of the Persian Gulf, and I find the same difficulty as does His Majesty's consul-general in comprehending how security on the Shat-el-Arab is promoted by his presence, since a serious Arab rising, as a result of the vali's behaviour, was probably alone averted by the correct and patient attitude of the sheikh. It is, however, possible that vali was acting under instructions from the Sublime Porte, and on this account His Majesty's Government may deem it impolitic to risk precipitating the raising of graver questions by urging his recall at Constantinople.

I am forwarding a despatch on the same subject.

[31899]

No. 336.

Sir G. Barclay to Sir Edward Grey.—(Received September 1.)

(No. 347.)

(Telegraphic.) P.

Gulahek, September 1, 1910.

TURKS and Sheikh of Mohammerah.

With reference to my immediately preceding telegram, I have the honour to transmit following telegram No. 240 of the 31st August from His Majesty's consul-general at Bushire:—

"His Majesty's consul at Mohammerah again points out that the abnormal delay that has elapsed in the matter of the assurances to be given to the sheikh has rendered the latter suspicious, and it is difficult to deal with him. He further reports that a decree forbidding land to be registered in the name of the sheikh or his representatives in the Bussorah vilayet has just been issued by the Turkish Government. This step has annoyed the sheikh, and he represents that the vali has broken all his promises and has done his best again to change the *status quo*. I should be glad to know if there is any hope of a decision on the part of His Majesty's Government in the near future."

[31898]

No. 337.

Sir G. Barclay to Sir Edward Grey.—(Received September 1.)

(No. 348.)

(Telegraphic.) P.

Gulahek, September 1, 1910.

OIL company's proposed loan to Persian Government.

In continuation of my telegram No. 343 of the 28th August, I have the honour to report that Mr. Preece has suggested to the Persian Government that their share in the Anglo-Persian Oil Company and in the mining company should be made security for the proposed loan. I understand that he has not yet informed his principals of this, but he anticipates no objection on their part provided that the concession is obtained.

I learn from Preece that the oil company's board meeting will take place on Monday next, and that his syndicate's negotiations will probably then be considered.

I venture to submit that His Majesty's Government and the Government of India would benefit so greatly by the successful termination of the present negotiations that it would be worth while to urge the syndicate to authorise their representative at Tehran to pursue negotiations on the lines he has suggested as acceptable to the Persian Government, especially in connection with the proposed tramway from the coast.

In the event of His Majesty's Government being deterred by the Indo-European Telegraph Company's scheme (please refer to your telegram No. 246 of the 22nd August) from supporting Mr. Preece's proposal, I would bring the following consideration to your notice.

Putting on one side the question of what view the Medjliss would take of the proposed concession—and I am a little doubtful, although the Vekil-ul-Roaya is optimistic—I feel sure that the Medjliss will be strongly opposed to the Indo-European Telegraph Company's scheme under which a British road is contemplated. On the other hand, Mr. Preece's negotiations aim at a Persian tramway, the profits of which the Persian Government will receive.

[31907]

No. 338.

Sir G. Barclay to Sir Edward Grey.—(Received September 1.)

(No. 349.)

(Telegraphic.) P.

Gulahek, September 1, 1910.

WITH reference to my telegrams No. 335 of the 23rd August and No. 348 of the 1st September.

Mining concession in Kerman district.

His Majesty's consul reports that the district under consideration will probably remain safe until the end of the year, after which date its condition depends on the movements of the Afghan gun-runners.

[31906]

No. 339.

Mr. O'Beirne to Sir Edward Grey.—(Received September 1.)

(No. 245.)

(Telegraphic.) P.

St. Petersburg, September 1, 1910.

RUSSIAN troops in Persia.

In conversation with the Acting Minister of Foreign Affairs to-day his Excellency informed me that he had been approached by the Persian chargé d'affaires yesterday on the subject of the continued presence of Russian troops in Persia. M. Sazonow told the chargé d'affaires that if the Persian Government would fulfil the conditions which had been prescribed by the Russian Government as necessarily preceding the withdrawal, then he would undertake that orders should be issued within twenty-four hours for the withdrawal of the Kasvin force. M. Sazonow told the chargé d'affaires that he could give him no definite answer as yet with regard to the troops at Tabreez, but stated to him that the same general principle that applied to Kasvin applied also to Tabreez.

India Office to Foreign Office.—(Received September 3.)

Sir,

India Office, September 2, 1910.

I AM directed by the Secretary of State for India to address you, with reference to the correspondence ending with your letter of the 30th September, 1909, on the subject of the permanent appointment of an intelligence officer at Meshed.

The proposal was fully discussed in Sir A. Godley's letter of the 8th July, 1908, and in Sir F. A. Campbell's letter of the 21st September, 1908, the Lords Commissioners of the Treasury were informed that "Sir E. Grey considers that there can be no question of objecting to the charge on Imperial funds of one-half of the expense involved." After some further correspondence, their Lordships agreed to the appointment "for a period of two years, on the understanding that the question of its continuance will be considered at the end of that period" (Sir G. Murray's letter of the 11th November, 1908).

The period in question expires on the 20th October next, and Viscount Morley trusts that Sir E. Grey will now be willing to press the Lords Commissioners of the Treasury to agree to place the appointment upon a permanent footing. I am to enclose copy of a letter that has been received from the Government of India on the subject, and to say that his Lordship concurs in the views therein expressed. He is strongly of opinion that, in the absence of any British consular officer throughout the whole of Central Asia, it is impracticable, on Imperial no less than on Indian grounds, to dispense with the one trustworthy source of information as to what is taking place in a vast area which is, moreover, not open to the unrestricted movements of foreigners.

Turning to the question of expenditure, I am to enclose copy of correspondence with the Government of India dealing with the points raised in your letter of the 30th September, 1909. Lord Morley agrees generally with the remarks of the Government of India as to the designation and duties of the intelligence officer at Meshed, who would, in his opinion, be better so described than by the somewhat misleading title of military attaché. The question whether the expenditure is excessive should, therefore, he thinks, be considered on its merits, without reference to that incurred on dissimilar appointments elsewhere.

According to the information now furnished, the expenditure up to the 21st October, 1908, was as follows:—

	Rupces.	=	£
1904-5	14,550		970
1905-6	10,771		718
1906-7	31,155		2,077
1907-8	29,229		1,949
April 1-October 21, 1908	20,001		1,333

This expenditure has not up to the present been included in the annual statements of diplomatic and consular expenditure in Persia (*vide* notes on Meshed in Enclosure 2 of the letter from this Office of the 17th March, 1909, and of the 19th March, 1910); and, owing to a misapprehension, the Imperial Exchequer has been invited and has undertaken to share the pay only (varying from 574l. 8s. to 927l. 4s. per annum) of the officer holding the appointment.

As regards the future, it will be seen that the ordinary charges connected with the maintenance of the post are estimated by the Government of India at 31,953 rupees (= 2,130l.) when the incumbent holds the rank of major.

In your letter of the 30th September, 1909, Sir E. Grey expressed the opinion that the expenditure contemplated was neither in accordance with precedent nor with the requirements of the post of military attaché, and that the proposal to charge one-half to the Imperial Exchequer was subject to grave and insuperable objection.

Lord Morley ventures to hope that on further consideration Sir E. Grey will mitigate the severity of that judgment. The question of precedent has been dealt with by the Government of India. As regards the requirements of the post, it will be seen that the bulk of the expenditure is due not to the personal requirements of the officer, but to the nature of his duties. These duties involve the employment of an elaborate and necessarily somewhat expensive organisation, without which information can neither be obtained nor corroborated, and the Government of India are of opinion that any material reduction can only be effected at the expense of general efficiency. In

this opinion Lord Morley concurs, with the exception that he thinks that the duties of the post could be adequately discharged by an officer with the rank of captain. By this reduction there would be a saving of about 190l. per annum, and the maximum cost might be put roughly at 2,000l. per annum.

During the six years that have passed since the appointment was first proposed, the question of its maintenance has been examined from every point of view, with the result that the Army Council, the Government of India, two commanders-in-chief in India, and three distinguished officials who have held the posts of Minister or chargé d'affaires at Tehran, have been unanimous in recommending it—so long, at all events, as there are in Central Asia no British consular officers from whom the same information might be obtained, though probably at greater expense. This recommendation was accepted in principle by Sir E. Grey in Foreign Office letter to the Treasury above quoted.

Lord Morley fully shares Sir E. Grey's desire for a substantial reduction in the cost of the Indian consular establishments in Persia, and the question has for some time been under examination by the Government of India. His Lordship has reason to believe that their proposals will include a reduction of about 40,000 rupees (2,666l.) in the cost of the Meshed Consulate after providing for the native agent at Turbat-i-Haidari, where, as Sir E. Grey is aware, the consulate has been abolished. In view of this important fact, and of the considerations urged above, Lord Morley earnestly trusts that Sir E. Grey will now move the Lords Commissioners of the Treasury to sanction, as a permanent measure, the payment of half the cost of the appointment of military attaché, subject to a maximum of 2,000l. per annum.

I am, &c.

COLIN G. CAMPBELL.

Enclosure 1 in No. 340.

Government of India to Viscount Morley.

(Secret.)

My Lord,

Simla, July 7, 1910.

YOUR Lordship's foreign (Secret) telegram of the 28th November, 1908, conveyed sanction to the appointment of a military attaché at Meshed being continued for a period of two years, with effect from the 21st October, 1908, subject to reconsideration on the expiry of that period. We now desire to ask your Lordship for an early decision as to the maintenance of the appointment beyond that date.

2. The importance attached to this post and the reasons leading to its creation have been fully stated in the previous correspondence on the subject, commencing with our Secret military despatch of 1904. There is, in consequence, little that can be added to the forcible arguments which from time to time have been adduced in favour of this appointment being placed on a permanent footing. In this connection, we would desire to invite your Lordship's special attention to our Secret military despatch dated the 7th November, 1907, and also to the correspondence between the India and Foreign Offices, copy of which reached us under cover of your Lordship's Secret despatch of the 18th December, 1908. We desire to reiterate and endorse the arguments and opinions contained in these papers.

3. We may further bring to your Lordship's notice that the Chief of the Imperial General Staff has recently addressed the commander-in-chief with a view to the General Staff in India assuming entire responsibility for intelligence work in Russian Turkistan, a proposition which his Excellency could only accept on the supposition that the services of a military attaché at Meshed will be permanently retained. We fully realise that the abolition of the appointment would place us at a serious disadvantage in the matter of maintaining an efficient intelligence service. In support of this opinion we would invite your Lordship's attention to the letter of the 16th September, 1908, from the War Office to the Foreign Office, in which the Army Council urge that "interruption in the system of obtaining intelligence, which has been so successfully inaugurated by the military attaché at Meshed, would be disadvantageous to the Imperial as well as to the Indian army."

4. A further careful consideration of this question in all its bearings has only deepened our conviction that this appointment is a necessary one, and we therefore feel no hesitation, both in Imperial and Indian interests, in strongly recommending its permanent continuance for your Lordship's favourable consideration.

[1738]

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5. We have addressed your Lordship separately regarding the cost of the appointment in our despatch dated the 12th May, 1910.

We have, &c.

MINTO.
O'M. CREAGH.
G. FLEETWOOD WILSON.
S. P. SINHA.
J. L. JENKINS.
R. W. CARLYLE.

Enclosure 2 in No. 340.

Viscount Morley to the Governor-General of India in Council.

(Secret.)

My Lord,

India Office, December 10, 1909.

I FORWARD herewith, for your information, a copy of a letter from the Foreign Office relating to the estimate of expenditure in connection with the post of military attaché at Meshed, which was forwarded with your Secret letter in the Army Department of the 12th August last. Your Excellency will observe that, in the opinion of Sir Edward Grey, the special expenditure now contemplated will neither be in accordance with precedent, nor with the requirements of the post military attaché, and that the division with the Imperial Government of the expenditure involved is, he considers, "subject to grave and insuperable objection."

2. Before replying to the Foreign Office, I shall be glad to be furnished, at a very early date, with any observations on their letter which your Excellency may wish to offer, and also with information on the following points:—

(1.) What sums were expended on the appointment during the years 1904-5, 1905-6, 1906-7, 1907-8, and from the 1st April to the 21st October, 1908, details of the expenditure being given, as far as possible, under the heads shown in the statement accompanying your letter of the 12th August, 1909?

(2.) Has this expenditure been included in the annual statements of diplomatic and consular expenditure in Persia (*vide* memorandum accompanying political despatch of the 30th July, 1909)?

(3.) Is there any additional outlay for quarters owing to the presence of the military attaché and his clerk? If they occupy a portion of the buildings of the consulate-general, I presume that the rent paid is taken in reduction of the general expenses of the consulate?

(4.) What is the "contingent" expenditure for which an annual charge of 4,356 rupees (291*l.*) is estimated?

3. Finally, I request that I may be furnished with a careful estimate of—

(a.) The ordinary charges connected with the maintenance of the post; and

(b.) The exceptional and occasional charges, information being given as to the intervals at which these may be expected to occur. I observe, for instance, that the expenditure on travelling in 1909-10 is high in consequence of the officer being relieved, and that there is also additional expenditure for an officiating clerk.

I have, &c.

MORLEY.

Enclosure 3 in No. 340.

Government of India to Viscount Morley.

(Secret.)

My Lord,

Simla, May 12, 1910.

WE have duly received and considered your Lordship's Secret despatch dated the 10th December, 1909, with enclosures, in reply to our military Secret despatch dated the 12th August, 1909, dealing with the expenditure connected with the post of military attaché at Meshed and the share to be borne by the Home and Indian Governments respectively.

2. Your Lordship desires, in the first place, to be furnished with any observations

we may wish to offer on Foreign Office letter dated the 30th September, 1909, addressed to the India Office.

In this connection we observe that Sir Edward Grey is apparently inclined to include this post of military attaché at Meshed in the general question of Indian consular establishments in Persia.

We are unable to endorse this view. Except for the fact that the military attaché resides at Meshed, as being in the circumstances the most convenient centre, the *raison d'être* of the appointment is unconnected with Persia and Persian affairs. That this is so, is clearly shown in the original proposals for the creation of the post, which formed the subject of our military Secret despatch No. 170 of 1904.

Further, we gather that Sir Edward Grey regards the appointment as being analogous with that of an ordinary military attachéship in Europe and elsewhere. We would submit, on the contrary, that a marked distinction is to be drawn between the two cases.

Ordinarily, a military attaché is accredited to and resides at the capital of the country concerned. He is a recognised official of the Embassy or Legation, as the case may be, and thus acquires, and as a matter of courtesy is accorded, many facilities in the discharge of his duties.

The military attaché at Meshed, on the other hand, is very differently placed. He does not even reside in the country wherein are centred his responsibilities. Although resident at Meshed, his duties lie beyond the Persian border, in Russian Turkistan, and it is only by means of agencies located in Russian territory, that those duties can be adequately carried out. He is, in fact, an intelligence officer, forced by circumstances to reside outside the country on which he is expected to report. The pay of the agents employed forms an item of extraordinary expenditure, which is obviously peculiar to the Meshed post.

It will also readily be understood that the control of these agencies entails a more elaborate, and consequently a more costly, clerical establishment.

We are, therefore, strongly of opinion that this appointment is to be regarded as being of a very special nature, and distinct from British representation in Persia and military attachés in general. Were this appointment abolished we should be practically without any means of keeping ourselves informed concerning Russian military movements in Central Asia and on the Afghan border land.

3. We now proceed to give the information your Lordship desires on certain points:—

(1.) A statement showing the sums expended on the appointment during the years 1904-5, 1905-6, 1906-7, 1907-8, and from the 1st April to the 21st October, 1908, is attached (Enclosure No. 4).

(2.) The expenditure has not been included in the annual statements of diplomatic and consular expenditure in Persia, all charges having been passed direct to debit of the military estimates.

(3.) The military attaché occupies a portion of the buildings of the consulate-general, and any sums recovered on account of rent, debitable to the military estimates, will be taken in reduction of the general expenses of the consulate.

The military attaché's clerk lives outside the consulate, and the payment of rent is a matter of private arrangement.

(4.) The "contingent" expenditure includes charges for telegrams, postage, printing and stationery, livery for chuprasi, firewood allowance, and miscellaneous office expenses. During 1908-9 the expenditure on telegrams alone amounted to rupees 2,830 : 9 : 6.

4. As requested in paragraph 3 of your Lordship's despatch under reply:—

(a.) A statement, showing the estimated ordinary charges connected with the maintenance of the post, is attached (Enclosure No. 5).

(b.) As regards the exceptional and occasional charges, your Lordship will observe from the attached statement (Enclosure No. 4) that during the period covered no such expenditure was incurred. We do not anticipate that any exceptional charges, other than those connected with the relief of the military attaché or his clerk will have to be met, and these should not recur in ordinary circumstances more frequently than every three to four years.

5. We have now replied in full to your Lordship's queries.

We would add that having again scrutinised the total expenditure involved in the proper maintenance of this appointment, any material reduction could, in our opinion, only be effected at the expense of its general efficiency.

We trust that the views we have ventured to express will meet generally with your Lordship's concurrence, and that your Lordship will see fit to approach the Foreign Office again on the subject of a full share of the total expenditure on this appointment being met by Imperial funds.

6. We are addressing your Lordship separately, again recommending that the appointment should now be placed on a permanent footing.

We have, &c.

MINTO.
O'M. GREAGH.
H. ADAMSON.
J. O. MILLER.
S. P. SINHA.
B. ROBERTSON.

Enclosure 4 in No. 340.

(Secret.)

STATEMENT showing actual Expenditure on account of the appointment of the Military Attaché, Meshed, for Periods shown.

Period.	Pay of Rank.	Exchange Compensation Allowance.	Deputation Allowance.	Exchange Compensation Allowance on Deputation.	Pay of Clerk.	House Rent (Clerk).	Ration Allowance.	Pay of Chupras.	Secret Service Expenditure.	Contingent Expenditure.	Total.
1904-5*	Rs. a. p. 4,796 14 7	Rs. a. p. 299 9 0	Rs. a. p. 5,220 0 0	Rs. a. p. ..	Rs. a. p. ..	Rs. a. p. ..	Rs. a. p. ..	Rs. a. p. ..	Rs. a. p. ..	Rs. a. p. 4,233 2 0	Rs. a. p. 14,549 9 7
1905-6	..	..	..	..	..	..	..	..	..	..	10,770 12 0
1906-7	..	..	..	..	..	..	..	..	..	..	31,150 15 6
1907-8	..	..	..	..	..	..	..	..	..	..	29,229 3 11
April 1 to October 21, 1908	Rs. a. p. 3,189 0 2	Rs. a. p. 199 5 0	Rs. a. p. 3,525 0 0	Rs. a. p. ..	Rs. a. p. 1,902 10 9	Rs. a. p. 272 2 9	Rs. a. p. 1 4 5	Rs. a. p. 122 13 5	Rs. a. p. 7,894 14 2+	Rs. a. p. 1,504 0 0	Rs. a. p. 20,001 4 11

* From March 15, 1904.
+ Includes contingent charges.
+ Up to October 31, 1908.

Enclosure 5 in No. 340.

(Secret.)

STATEMENT showing the estimated ordinary Charges connected with the maintenance of the Post of Military Attaché, Meshed.

Details.	Monthly Rate.	Annual Rate.	Remarks.
	Rs. a. p.	Rs. a. p.	
Pay as major	640 14 0	7,690 8 0	In case of a captain deduct 2,706 rupees.
Exchange compensation ..	40 0 10	480 10 0	In case of a captain deduct rupees 169:2.
Deputation allowance ..	15 0 0	5,475 0 0	
	per diem		
Pay of clerk	200 0 0	2,400 0 0	
House rent, attaché ..	72 0 0	864 0 0	
House rent, clerk ..	33 12 6	405 6 0	
Allowance in lieu of rations (clerk)	7 8 0*	90 0 0	* Sanctioned as a personal allowance to the present incumbent.
Pay of Chuprasi	16 0 0	192 0 0	
Secret service .. ..	..	10,000 0 0	
Contingent expenses ..	363 0 0†	4,356 0 0	† Approximate and maximum estimate, based on actuals during eight months of 1909.
Total .. ..	..	31,953 8 0	

[32143]

No. 341.

Sir G. Barclay to Sir Edward Grey.—(Received September 3.)

(No. 350.)

(Telegraphic.) P.

Gulahek, September 3, 1910.

A PAINFUL impression on all present was made yesterday at the Shah's birthday reception by the Regent's state of health, and the question of his successor may arise in the near future.

From what M. Poklewski has told me I apprehend that Russian Government may again urge on His Majesty's Government the view reported in Mr. O'Beirne's telegram No. 228 of the 17th August, your reply to which I have not seen.

On this subject I agree with the view expressed in your telegram No. 234 of the 14th August, and I would submit that in any case it would be most unfortunate if any mention were made of Sardar Assad's candidature before we knew that such a step was contemplated—a development which may be considered as a possibility, but by no means as a certainty.

[32157]

No. 342.

Sir G. Lowther to Sir Edward Grey.—(Received September 3.)

(No. 179.)

(Telegraphic.) P.

Constantinople, September 3, 1910.

TURCO-PERSIAN frontier.

His Majesty's vice-consul at Van reported to me yesterday that information of disturbances at Urumia have reached the Vali of Van. It appears that a certain convict was sentenced to be blown from a gun, and, as a protest, after the execution Persians proceeded to attack the law courts, and town was pillaged. Vali, who told Captain Seel that Turkish trade interests and the maintenance of order on the frontier were very seriously affected by this incident, left on him the impression that vali's intention might be to use it as a pretext for occupying the town.

[32368]

No. 343.

Sir G. Barclay to Sir Edward Grey.—(Received September 5.)

(No. 351.)

(Telegraphic.) P.

Gulahek, September 5, 1910.

BAKHTIARI and Soulet-ed-Dowleh.

In continuation of my telegram No. 345 of the 31st August, I have the honour to report that there have been signs for some days past of dissensions amongst the Bakhtiari khans. It is reported that Amir Mufakham, who fought in the revolution on the Royalist side, has gone over to Soulet-ed-Dowleh, and disaffection is known to exist among others of his branch.

The principal khans in Tehran are making strenuous efforts to restore harmony between the two branches of the tribe.

[32382]

No. 344.

Sir G. Barclay to Sir Edward Grey.—(Received September 5.)

(No. 352.)

(Telegraphic.) P.

Gulahek, September 5, 1910.

CONCESSIONS in Persia.

Please refer to your telegram No. 479 of the 24th August.

I have the honour to report that, notwithstanding the repeated intimations of the two legations that the joint Powers did not require an answer to the note of the 7th May, a reply has now been received from the Persian Government.

Persian Government has no thought of granting concessions to foreigners, but draws our attention to its obligation to protect Persia's independence and undoubted rights of freedom, and refers us to the repeated declarations of the two Governments regarding non-interference in Persian affairs, which makes Persian Government hope that no representation will be made which is at variance therewith.

In consequence of the unsatisfactory nature of this communication, M. Poklewski and I are returning it to the Persian Government. Dragoman has been instructed to make at the same time the verbal communication suggested in my telegram No. 336 of the 23rd August.

[31899]

No. 345.

Sir Edward Grey to Sir G. Barclay.

(No. 261.)

(Telegraphic.) P.

Foreign Office, September 5, 1910.

SHEIKH of Mohammerah and Turkish authorities (see your telegram No. 347 of the 1st September).

Sir G. Lowther's views, which I was awaiting, have now reached me. I hope to be able to inform you shortly of our decision in the case. You may, however, in the meanwhile give Lieutenant-Colonel Cox discretion to convey to the sheikh assurances that His Majesty's Government are considering the papers, which they have now received, in a most friendly and serious manner, and will before long acquaint him of the result of their examination of the case.

[32143]

No. 346.

Sir Edward Grey to Sir G. Barclay.

(No. 262.)

(Telegraphic.) P.

Foreign Office, September 5, 1910.

PERSIAN Regency.

In reply to your telegram No. 350 of the 3rd instant, I have to state that I adhere to the views which I set forth in my telegram No. 434 of the 14th August to Mr. O'Beirne. Russian Embassy here were informed of substance of this telegram, and I did not answer Mr. O'Beirne's telegram No. 228 of the 17th August.

[31304]

No. 347.

Foreign Office to India Office.

Sir, *Foreign Office, September 5, 1910.*
 WITH reference to your letter of the 9th June, relative to the maintenance of the escort of His Majesty's Consulate at Shiraz at its present increased strength, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's chargé d'affaires at Tehran,† on the subject of the advisability of continuing the present arrangement beyond the end of this year.

It will be observed that both Mr. Marling and the British acting consul at Shiraz recommend this course, and I am to express the hope that, in view of their opinion, in which Sir E. Grey concurs, Viscount Morley may see his way to sanction the retention of the additional sowars, and the charge of one-half of the expense therein involved on Indian funds on condition that the escort is reduced to its normal strength as soon as this step can safely be taken, as to which His Majesty's Minister at Tehran, who has now returned to his post, will be instructed to report.

I am, &c.
 LOUIS MALLET.

[32543]

No. 348.

Sir G. Barclay to Sir Edward Grey.—(Received September 6.)

(No. 353.)

(Telegraphic.) P.

Gulahek, September 6, 1910.

CONCESSIONS in Persia.

In continuation of my immediately preceding telegram, I have the honour to report that the dragomans of the two legations yesterday returned the Persian Government's reply to our joint note of the 20th May to the Minister for Foreign Affairs.

His Excellency expressed great surprise, and laid stress on the satisfactory nature of the first paragraph of the communication.

Mr. Churchill and M. Baranowsky replied that the good effect of the first paragraph was nullified by what followed. They also pointed out to the Minister for Foreign Affairs how often we had called attention to the fact that the note did not require an answer.

[32544]

No. 349.

Sir G. Barclay to Sir Edward Grey.—(Received September 6.)

(No. 354.)

(Telegraphic.) P.

Gulahek, September 6, 1910.

CONCESSIONS in Persia.

In continuation of my telegram No. 353 of the 6th September, I have the honour to report that the first paragraph of the reply received by the two legations in answer to their joint note of the 20th May states that the Persian Government will never agree to any steps contrary to courtesy, friendship, or good relations with Great Britain and Russia.

As I considered that the satisfactory nature of this statement was more than nullified by the veiled though unmistakable reservation contained in the succeeding paragraphs of the Persian Government's freedom to disregard our representations, I did not telegraph it. I do so now, in view of the particular stress which the Minister for Foreign Affairs laid upon this passage in presence of the two dragomans.

* Also to Treasury, *mutatis mutandis*.

† No. 270.

[32628]

No. 350.

Mr. C. W. Wallace to Foreign Office.—(Received September 7.)

(Confidential.)

Sir,

"Rutland Arms," Bakewell, Derbyshire,
 September 3, 1910.

YOUR letter dated the 29th instant only reached me to-day, and I thank you particularly for the words contained in its concluding paragraph.

Yes, so long as the amount remained unchanged, I could not arrange to dispense with all the securities named, but this fresh departure changes the whole landscape. The Persians appear to make two alternative proposals, viz.: 100,000*l.* secured by certain Persian public revenues; or, 200,000*l.* secured by the said revenues plus Persian Government's interest and share of profits in the oil concession; while you would prefer a third alternative, viz.: 100,000*l.* secured by the Persian Government's interest and share of profits in the oil, and in a prospective mineral concession.

Now this last alternative appears to me to chiefly concern the shareholders of the Anglo-Persian Oil Company, and not to come quite within the scope of the object that I had in view at the time of the breakdown of negotiations for an Anglo-Russian loan to Persia last April. I am not, therefore, returning to London in consequence of it, but I have written to the chairman and to the managing director of the Anglo-Persian Oil Company recommending your suggestion to their careful consideration.

I am, &c.
 (For C. W. Wallace),
 H. S. ASHTON.

[32586]

No. 351.

India Office to Foreign Office.—(Received September 7.)

Sir,

India Office, September 6, 1910.

IN continuation of the letter of the 24th August regarding the assurances to be given to the Sheikh of Mohammerah, I am directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of a letter from the Government of India on the subject of the differences between the Sheikh and the Vali of Bussorah.

As may be inferred from the letter above-quoted, Viscount Morley concurs generally in the views of the Government of India, but he is inclined to think that a local demonstration such as he has suggested may be more effective than the representation to the Turkish Government recommended by the Government of India, or, at all events, that the latter should not be regarded as an adequate substitute for the former.

I am, &c.
 COLIN J. CAMPBELL.

Enclosure in No. 351.

Government of India to Viscount Morley.

(Secret.)

My Lord,

Simla, August 11, 1910.

WITH reference to the correspondence ending with your Lordship's telegram of the 31st May, 1910, we have the honour to forward herewith the correspondence* detailed in the annexed schedule relative to the friction which has recently arisen between the Turkish authorities on the Shatt-el-Arab and the Sheikh of Mohammerah.

2. On a review of the papers, we are of opinion that the aggressive proceedings of the Vali of Bussorah were unjustified, and that the Sheikh of Mohammerah acted throughout the crisis not only with moderation, but with much prudence and foresight. At the initial stage of the imbroglio, he endeavoured to placate the Vali of Bussorah by seeking an interview with a view to an amicable settlement, and, on receiving a rebuff, wisely withdrew to Ahwaz, averting an armed conflict with the Turks, and maintaining a calm attitude before his tribesmen, whose indignation had been roused

* Not printed.

[1738]

3 X

by the vali's action. This pacific attitude of the sheikh, under British advice, despite the bombardment of Zain, the shelling of his mother's house, the accusations brought against him, and the offensive circular promulgated by the vali is greatly to the sheikh's credit, and constitutes a strong claim to the support of His Majesty's Government.

3. It is undeniable that in this corner of the Shah's dominions, important alike strategically, politically, and commercially, the authority of the Central Government is almost non-existent, and that, while in other parts of Persia chronic unrest has prevailed, peace has been maintained in and around Mohammerah by the wise administration of the sheikh, whose assistance the Persian Government quite recently invoked to establish order in the portions in the north outside his jurisdiction. The trade of the country through the southern ports has been seriously dislocated, and were the sheikh to become ill-disposed consequent on our failure to afford him adequate support in connection with the present incident, various British enterprises on the Karun and in south-west Persia would be seriously hampered. But the result of failure to support the sheikh heartily to obtain honourable terms in this dispute will not be limited to Mohammerah alone. There are not wanting indications that the vali's action at Mohammerah was a *ballon d'essai*, and that unless his proceedings are discredited, Turkish activity will extend to Koweit, Bahrein, and along the Arabian shore of the Persian Gulf, as also to the southern portion of the Turco-Persian boundary, endangering the stability of British influence and prestige throughout the region mentioned.

4. We trust that His Majesty's Government will be in accord with our view, and will make a strong representation to the Turkish Government on behalf of the sheikh, whose good-will is essential to the maintenance of British interests in the Karun region, and we would earnestly invite attention to the hope expressed by Colonel Cox in the last sub-paragraph of paragraph 3 of his letter dated the 16th June, 1910, that it may be possible to enunciate some common lines of policy for the guidance of His Majesty's consuls at Bussorah and Mohammerah, by the joint pursuit of which they will be able to keep the Turkish authorities and the Sheikh of Mohammerah within constitutional bounds, and, by so doing, jointly safeguard our position and great interests at the head of the gulf.

We have, &c.

MINTO.
O'M. CREAGH.
GUY FLEETWOOD WILSON.
S. P. SINHA.
J. L. JENKINS.
R. W. CARLYLE.
B. ROBERTSON.

[32652] No. 352.

Sir G. Barclay to Sir Edward Grey.—(Received September 7.)

(No. 355.)

(Telegraphic.) *En clair.*

Tehran, September 7, 1910.

MEDJLIS has decided in favour of American assistants in Financial Department.
(Repeated to St. Petersburg.)

[31643] No. 353.

Foreign Office to Messrs. H. C. Dixon and Co.

(Confidential.)

Gentlemen,

Foreign Office, September 7, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 29th ultimo relative to the unsatisfactory condition of Persia, with special reference to the insecurity of the roads.

I am to state, in reply, for your confidential information, that His Majesty's Government have recently agreed with the Russian Government that a strong joint representation should be made to the Persian Government as to the state of the roads.

His Majesty's Government have also under their consideration a new and more effective scheme for dealing with the situation, on the application of which they intend to insist if the Persian Government fail to take action themselves with a view to remedy it within a given time.

I am, &c.

LOUIS MALLET.

[32729]

No. 354.

Sir G. Barclay to Sir Edward Grey.—(Received September 8)

(No. 357.)

(Telegraphic.) P.

Tehran, September 8, 1910.

BAKHTIARI and Kashgai.

With reference to my immediately preceding telegram of to-day's date, I have the honour to report that a telegram from Sheikh Khazal to Soulet-ed-Dowleh has come into my possession.

Message in question is partly in code, but appears to wish success to his forward march, and to indicate that Soulet is receiving assistance from the sheikh.

As I understand that we are about to give sheikh our further assurances, I defer approaching him until we give them, since this would furnish the best opportunity of warning him against interference in inter-tribal matters.

[31898]

No. 355.

Foreign Office to Anglo-Persian Oil Company.

(Confidential.)

Sir,

Foreign Office, September 8, 1910.

WITH reference to the letter from this Office of the 29th ultimo relative to the project for the acquisition from the Persian Government of a concession for the exploitation of minerals in the district of Kerman, I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran reporting that Mr. Preece has suggested to the Persian Government, as security for a loan of 200,000*l.*, the Government's shares in your company and in the proposed mining company. It appears that Mr. Preece has not informed Mr. R. Tarbett Fleming's syndicate of this step, but has stated that he has no doubt that, if the concession is granted, he can obtain their consent to the arrangement.

Sir G. Barclay expresses the opinion that it would be well if the syndicate were to empower Mr. Preece to negotiate this question on the lines which he has indicated as acceptable to the Persian Government, more especially as regards the alignment of the proposed tramway recommended by him, as stated in the letter above referred to.

I am to enquire whether Mr. C. W. Wallace and the other directors of the new who are also members of the board of direction of your company can see their way to consent to an arrangement such as that proposed.

I am, &c.

LOUIS MALLET.

[32824]

No. 356.

M. Daeschner to Sir Edward Grey.—(Received September 9.)

Ambassade de France, Londres,

le 8 septembre, 1910.

M. le Secrétaire d'État,

EN réponse à la communication qu'elle a bien voulu m'adresser le 23 août dernier, j'ai l'honneur de faire savoir à votre Excellence que mon Gouvernement n'a aucune objection à ce que le Gouvernement persan fasse appel pour la réorganisation de son administration au concours d'agents de Puissances secondaires telles notamment que la Belgique et la Suisse.

Je suis chargé à cette occasion de donner à votre Excellence l'assurance que le Gouvernement de la République, fidèle à la ligne de conduite qu'il a adoptée au mois de mars dernier et désireux d'épargner à l'Angleterre et à la Russie tout ce qui pourrait être de nature à gêner leur action en Perse, ne se prêterait pas à l'introduction de

nouveaux éléments français dans les services administratifs de ce pays, tant qu'elle paraîtrait aux deux Puissances de nature à soulever des jalousies internationales et à leur créer des difficultés.

En ce qui concerne M. Bizot, il convient de ne pas perdre de vue—et le Gouvernement de Sa Majesté a dû en être avisé par son agent à Téhéran—que son contrat, conclu pour trois ans et renouvelé pour une période de trois mois, est définitivement expiré depuis le mois dernier. Il y a tout lieu de croire que M. Bizot n'a pas l'intention de le renouveler; M. Bizot est actuellement absent de Paris, où il ne doit revenir que dans quelques jours, et ce n'est qu'alors qu'on sera fixé sur ses résolutions. Au cas où il serait disposé à retourner, pour quelques mois, en Perse en vue de faciliter l'installation des nouveaux fonctionnaires qui seraient désignés, il conviendrait auparavant d'obtenir, avec l'appui des représentants d'Angleterre et de Russie à Téhéran, le renouvellement de son contrat, quitte à lui désigner ultérieurement un successeur qui le remplacerait au cours de sa mission.

Veuillez, &c.

E. DAESCHNER.

[32859] No. 357.

Sir G. Barclay to Sir Edward Grey.—(Received September 9.)

(No. 358.)
(Telegraphic.) P.

Gulahek, September 9, 1910.

BAKHTIARI and Kashgai.

In continuation of my two immediately preceding telegrams of the 8th September, I have the honour to report that Sheikh Khazal has stated, in reply to a telegram from Amir Mufakham asking for his assistance in case of need, that he is ready to do anything that Amir Mufakham may demand of him.

I am instructing Lieutenant-Colonel Cox to warn sheikh to stand aloof from the quarrels of the Bakhtiari khans.

Sardar Assad has sent peremptory orders to Sardar Zaffar to refrain from attacking Soulet-ed-Dowleh, and to come immediately to Tehran.

[32857] No. 358.

Mr. O'Beirne to Sir Edward Grey.—(Received September 9.)

(No. 253.)
(Telegraphic.) P.

St. Petersburg, September 9, 1910.

PERSIA. Financial assistants.

Sir G. Barclay's telegram No. 355.

I was informed to-day by M. Sazonow that M. Poklewsky had reported that there was also to be one assistant of French nationality. M. Sazonow asked me what attitude the two Powers should adopt towards the new proposal. I told him that I did not yet know your views, but expected to be informed of them shortly; and I said that I supposed that His Majesty's Government would make to the United States Government a communication of the same kind as those made recently to France and Italy.

M. Sazonow remarked that, in view of certain difficulties which existed between his Government and that of the United States of America, such a communication would come best from His Majesty's Government.

[32944] No. 359.

Sir G. Barclay to Sir Edward Grey.—(Received September 10.)

(No. 359.)
(Telegraphic.) P.

Gulahek, September 10, 1910.

ENGAGEMENT of foreign assistants.

Russian Government have enquired views of M. Poklewski with regard to the proposed engagement of Americans in the Ministry of Finance, and Russian Minister has advised against the raising of objections in this connection. I entirely agree.

No political interests are possessed by America in Persia, and, at all events unless we were prepared to insist, it would, I submit, be useless to raise objections.

[32973]

No. 360.

Sir G. Barclay to Sir Edward Grey.—(Received September 11.)

(No. 360.)

(Telegraphic.) P.

Gulahek, September 11, 1910.

ENGAGEMENT of foreign assistants.

With reference to my telegram No. 355 of the 7th September, information has reached me to the effect that the Medjliss decided on the engagement of Americans in the face of strong pressure from the Cabinet, who wished Frenchmen to be chosen. I understand, moreover, that the Medjliss has now decided to apply for the services of a French assistant for the Minister of Justice.

In view of the attitude of the Cabinet in urging the employment of nationals of a European Great Power in direct disregard of the friendly advice of the two Governments, Russian Minister and I fear that the engagement of others less welcome to us than Americans and Frenchmen is a contingency which must be foreseen.

In these circumstances the two Governments may now desire to instruct us to make a more formal representation to the Persian Government, warning them that if our advice in this matter is further disregarded we shall be obliged to demand that some of our own nationals be engaged by the Persian Government.

[32989]

No. 361.

Mr. O'Beirne to Sir Edward Grey.—(Received September 12.)

(No. 366.)

Sir,

St. Petersburg, September 2, 1910.

THE Acting Minister for Foreign Affairs informed me yesterday that the Persian chargé d'affaires, after a long interval, had been to see him and had stated that he came to speak about the Russian troops on Persian soil.

M. Sazonow had said at once that he would undertake to have the Kazvin force recalled within twenty-four hours (his Excellency mentioned to me that he had been given full authority in the matter by the Council of Ministers) if the Persian Government showed itself to be a Government worthy of the name and carried out the conditions laid down by Russia as precedent to the withdrawal.

The chargé d'affaires had then asked how matters stood as regards the troops at Tabreez. M. Sazonow had said to him that he could not have a definite answer on that point at present. He could tell him, however, that the same general principles applied in the case of Tabreez as in that of Kazvin. Russia had numerous Russian subjects and large trade interests to protect in Tabreez. The present Governor-General, Mukhber-es-Sultaneh, was the worst kind of official, and always at daggers drawn with the officer in command of the Russian force. M. Sazonow seems to have given the Persian chargé d'affaires to understand that there might be a question of withdrawing the Tabreez force if Mukhber were recalled and an effective Government were established in the district.

I have, &c.

HUGH O'BEIRNE.

[33203]

No. 362.

India Office to Foreign Office.—(Received September 12.)

THE Under Secretary of State for India presents his compliments to the Under Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 6th September, relative to the defence of Persian consulates.

India Office, September 10, 1910.

Enclosure in No. 362.

Viscount Morley to Government of India.

(Telegraphic.) P. *India Office, September 6, 1910.*
 PERSIA. Defence of consulates.
 With reference to your telegram of the 13th ultimo, His Majesty's Minister, Tehran, concurs in the opinion of the consuls at Ispahan and Shiraz that defences at those places are unnecessary.

[25031]

No. 363.

Sir Edward Grey to Sir G. Barclay.

(No. 263.) *Foreign Office, September 12, 1910.*
 (Telegraphic.) P.
 MOHAMMERAH.
 The evidence against the vali as contained in His Majesty's consul-general at Bushire's despatch No. 40 of the 16th June seems quite conclusive. We are now prepared to give assurances to the sheikh, and are advising the King to confer on him K.C.I.E.

We must take steps to secure an adjustment and to prevent any repetition of offensive action. This adjustment, in view of large tract of land owned by the sheikh on Turkish side, and the presence there of so many Persian subjects of Arab race, which perhaps to some extent justifies Turkish suspicions in their present susceptible mood, must, I think, take the form of compromise if the recurrence of such incidents is to be prevented.

We might, in the first place, tell the Turkish Government that we have promised the sheikh to use our good offices on his behalf in any dispute with a foreign Power, and add that, after having carefully considered the whole story of the recent dispute between the sheikh and the vali, we regard the new decree forbidding the former to register land in Bussorah vilayet as unjustifiable and apparently contrary to Ottoman law, while the action of the vali, especially in the bombardment of Zain, which resulted in the death of one of the sheikh's wives, appears to us harsh, aggressive, and wholly without excuse.

What in your opinion is the minimum for which we could ask on behalf of the sheikh now that we are about to give him assurances and decoration (which should be done simultaneously)? The difficulty is that, if we demand an apology, compensation, or the removal of the vali, we shall have to maintain our demands in the event of the Porte refusing to comply with them. We have not bound ourselves to anything more than the use of good offices, but if these fail and we do not insist—if necessary, by threat of force—should we not lose prestige with sheikh, or would our intervention reassure him even if ineffective or, at any rate, not immediately successful?

Reference is to your telegram No. 346 of the 1st September.

[33247]

No. 364.

Sir Edward Grey to Sir G. Barclay.

(No. 264.) *Foreign Office, September 12, 1910.*
 (Telegraphic.) R.

MY telegram No. 212 of the 12th July: Hormuz oxide.

Have Persian Government yet made communication foreshadowed in last paragraph of Mr. Marling's telegram No. 278 of the 8th July, and has any progress been made towards determining whether they or Muin-ut-Tujjar is in the right?

Have they signed contract with Strick, and, if so, would it not be well to act on my telegram No. 207 of the 6th July?

[32859]

No. 365.

Sir Edward Grey to Sir G. Barclay.

(No. 265.) *Foreign Office, September 12, 1910.*
 (Telegraphic.) R.
 YOUR telegram No. 358 of the 9th September: Situation in the south.
 Instructions to His Majesty's consul-general at Bushire approved.

[33326]

No. 366.

India Office to Foreign Office.—(Received September 13.)

Sir, *India Office, September 12, 1910.*
 IN continuation of Sir Richmond Ritchie's letter of the 5th August, 1910, I am directed to enclose copy of a letter from the Government of India reporting that it is not probable that any further expenditure will be incurred in 1910-11 in connection with the Kherkha River irrigation survey.

I am, &c.
 COLIN G. CAMPBELL.

Enclosure in No. 366.

Government of India to Viscount Morley.

My Lord, *Simla, August 18, 1910.*
 IN continuation of our despatch dated the 30th June, 1910, we have the honour to inform your Lordship that Lieutenant Wilson has reported that it is not probable that any further expenditure will be incurred during the current financial year in connection with the Kherkha River irrigation survey.

We have, &c.
 MINTO.
 O'M. CREAGH.
 S. P. SINHA.
 J. L. JENKINS.
 R. W. CARLYLE.
 B. ROBERTSON.

[33335]

No. 367.

Mr. Stratford-Andrews to Foreign Office.—(Received September 13.)

Sir, *18, Old Broad Street, London,
 September 12, 1910.*
 MR. HERBERT CHICK, His Britannic Majesty's vice-consul at Bushire, now on leave in this country, has had several conversations with me on the subject of the development of the Bunder Abbas-Kerman trade routes, referred to in a letter of the 7th February, 1910, from the Foreign Office, and a letter dated the 9th February to the Foreign Office from myself.

Mr. Chick is of opinion that Captain C. Mark Gibbon, from Simla, now in this country, would be able to give me much useful information about these trade routes, but that he is unable to do so without the permission of Government.

Would it be possible for the Foreign Office to use its good offices in the matter, and to give or procure permission for Captain Mark Gibbon to disclose any information that might be of use to me in drawing up a report upon the trade route, the subject of this letter.

I am, &c.
 T. W. STRATFORD-ANDREWS.

[33337]

No. 368.

*The Persian Transport Company to Foreign Office.—(Received September 13.)*3, *Salter's Hall Court, Cannon Street, London,*
September 12, 1910.

Sir,

I HAVE the honour to report that my board has given careful consideration to the suggestion recently made by you to one of our directors, Colonel Picot, that, unless those unfinished portions of the roads in Persia for which we hold a concession, but to which the terms of the Anglo-Russian Convention apply, be completed before the period allowed by the concession for construction shall have elapsed, there may arise difficulties with the Russian Government in pressing for an extension of the construction period.

The portions of the road in question are: (1) the section between Kum and Ispahan, (2) the section between Sultanabad and a point about 60 miles from Sultanabad, between Khoremabad and Burujird, and (3) the section between Burujird and Ispahan.

It is well known to you that it has been impossible to commence construction work on these sections owing to the general insecurity of the country. The Persian Government has not been in a position to make good the rights of protection which are conferred by article 3 of the concession. Even in the case of the completed road between Kum and Sultanabad we are still unable to collect tolls on the section of it most frequented by traffic owing to the inability of the Persian Government to afford sufficient protection to the toll collectors.

But a considerable sum of money has been expended on making surveys on the section between Kum and Ispahan.

Inasmuch as existing concessions are expressly safeguarded by the Anglo-Russian Convention, my board feels that, under the circumstances mentioned above, the company has strong reason to look for the support of His Majesty's Government to their undoubted claim for an extension of the period of construction beyond the 24th August, 1912, the date to which the previous extension was granted by the supplementary article of August 1902. It was well known to the founders of the enterprise that a considerable time would elapse before it could be placed upon a remunerative basis, and they counted upon the full support of His Majesty's Government during that period.

My board would therefore request that, if any apprehension be entertained as to the possibility of objections on the part of the Russian Government at the time when application for extension of the period would be made in the ordinary course, His Majesty's Minister in Tehran may be desired to apply at once to the Persian Government for such extension. The extension required is for a further period of ten years. Application in this sense at the present time could not be considered unreasonable, as it would be practically impossible to complete all the roads before August 1912, even if the necessary security for life and property could be guaranteed.

Although my board are reluctant to believe that the Russian Government, in view of the circumstances stated above, would oppose the extension of the period for construction, they have carefully considered the possibility of such opposition and of consequent reluctance on the part of the Persian Government to sanction the extension. With the object of facilitating action by His Majesty's Government in such a contingency, my board have made the necessary financial arrangements to enable them, should it be deemed necessary, to commence work on the Kum-Ispahan section at once, provided that the Persian Government, which appears to be emerging from the many difficulties under which it has been labouring, will guarantee the safety of the construction staff, including the European engineers who would be in charge and in possession of the necessary funds for wages and material.

It would of course have to be agreed that the date of completion would be understood in a liberal sense. Much would depend upon the time occupied in making the necessary preliminary arrangements with the Persian Government. Should it not be possible to commence work until the spring of next year, it would be impossible to pledge ourselves to complete by the end of August 1912, and all we could undertake to do would be to proceed with the work with all reasonable expedition. We should also require an assurance from the Persian Government that the expenditure of a specified sum of money, say 10,000*l.*, would entitle us to levy tolls. This is a point of considerable importance, because our own experience in the past, as well as that of the Russian Government, has been that all kinds of difficulties are raised by the Persian

authorities in the way of the grant to levy tolls after the constructors have completed their work. It may be within your recollection that the Russian Government obtained permission from the Persian Government for the Russian Road Company to levy tolls on the Kazvin-Hamadan road even before construction had been completed.

As regards the sum required, our board originally agreed to expend the sum of 5,000*l.* on the Kum-Ispahan section, provided the expenditure of this sum would carry with it the levying of tolls. My board is willing to increase this sum to 12,000*l.*, the amount of the estimate of their engineers made a few years ago. Our engineers found that the sum of 5,000*l.*, which had been suggested to us as sufficient at the time when the transfer of the road concession was made to us, was wholly inadequate.

In communicating this decision to you, I am instructed by my board to emphasise the fact that their offer is made for the purpose of facilitating action on the part of His Majesty's Government in preserving the concession as a whole. It is well known to you that the present rate of tolls is not sufficient even to pay a moderate interest on the capital expended. For this reason we have for some time past been endeavouring to get the tolls on the Kum-Tehran road equalised to the tolls on the corresponding Russian road between Tehran and Kazvin. But for one reason or another the discussion of this question has been postponed by the Persian Government. My board hope that they may count upon the full support of His Majesty's Government to this application for an increase in tolls, which would also apply to the Kum-Ispahan section when constructed. It would be desirable that this question should be settled at the earliest possible opportunity, though it might not be advisable to press it at the present time if the Persian Government decide to grant the ten years' extension without insisting on an early commencement.

As regards the section from Sultanabad to a point about 60 miles distant, my board suggest that the Russian Government are not likely under any circumstances to oppose the renewal of the period of construction for this road, because it represents an integral portion of the Sultanabad-Ahwaz road, the greater part of which lies outside their special sphere in relation to His Majesty's Government.

I have, &c.

H. W. MACLEAN, *Secretary.*

[33361]

No. 369.

Sir G. Barclay to Sir Edward Grey.—(Received September 13.)

(No. 361.)

(Telegraphic.) P.

Gulahek, September 13, 1910.

ENGAGEMENT of foreign assistants.

With reference to Mr. O'Beirne's telegram No. 253 of the 9th September, I have the honour to report that when the question of the nationality of the financial assistants was discussed in the Medjliss the Committee of Foreign Affairs recommended the engagement of Swiss for these posts.

In the event of America declining I fear that the Persian Government may decide in favour of Swiss, and if we do not insist on the choice of French Swiss, a step which must arouse German susceptibilities, we run the risk of being confronted with German Swiss, who would be very undesirable. In these circumstances I would deprecate any communication to America in the sense indicated in Mr. O'Beirne's above-mentioned telegram.

I took purely unofficial action on your telegram No. 258 of the 27th August, and M. Poklewski did not join me.

I submit that the engagement of Americans would be less objectionable than that of nationals of European Great Powers, since America lies outside the area of international jealousies.

I am unable to see Russian Minister until this afternoon, but I submit these considerations now before consulting with him in order to gain time.

[33360]

No. 370.

Sir G. Barclay to Sir Edward Grey.—(Received September 13.)

(No. 362.)

(Telegraphic.) P.

Gulahak, September 13, 1910.

ENGAGEMENT of foreign assistants.

In continuation of my telegram No. 360 of the 11th September, I have the honour to report that the Medjliss has voted the engagement of three Italians for the posts of gendarmerie officers.

[33374]

No. 371.

Sir G. Barclay to Sir Edward Grey.—(Received September 13.)

(No. 363.)

(Telegraphic.) P.

Gulahak, September 13, 1910.

ENGAGEMENT of foreign assistants.

Please refer to my telegram No. 361 of to-day's date.

M. Poklewski concurs with me that the contingency of the Persian Government's applying to Switzerland if America declines must not be lost sight of by the joint Governments.

[33375]

No. 372.

Sir G. Barclay to Sir Edward Grey.—(Received September 13.)

(No. 364.)

(Telegraphic.) R.

Tehran, September 13, 1910.

MY telegram No. 358 of 9th September.

Situation in Bakhtiari country seems to be improving.

Mufakham and Zaffar have agreed to come to Ispahan to discuss terms of reconciliation.

[32973]

No. 373.

Sir Edward Grey to Mr. O'Beirne.

(No. 567.)

(Telegraphic.) P.

Foreign Office, September 13, 1910.

FOREIGN assistants (see Sir G. Barclay's telegram No. 360 of the 11th September).

Inform Russian Government that I should be glad to know their views, and say that the best course appears to me to be to point out to Persian Government that political difficulties are less likely to arise from the engagement of Americans, as the Medjliss wishes, as these are not subjects of any European Power, but that, if they engage Europeans who are not subjects of any minor Power, Great Britain or other great Powers would be certain to urge the engagement of their own nationals in order to protect their interests. You might remark to Russian Government that if the communication took this form it would avoid a conflict with the wishes of Medjliss and those of the Persian Government at the same time.

[33431]

No. 374.

Board of Trade to Foreign Office.—(Received September 14.)

(Secret.)

Sir,

Board of Trade, September 13, 1910.

I AM directed by the Board of Trade to acknowledge the note addressed from your department to the director of their Commercial Intelligence Branch on the 16th August, enclosing print of a paper relating to a scheme for the construction of a railway destined to connect Europe with India and the Far East by way of Persia.

In reply, I am to forward to you the accompanying copy of a memorandum which has been prepared by the director of the Intelligence Branch respecting this matter, and to state that the Board agree generally with the observations contained therein.

The Board desire me to state, however, for Sir E. Grey's information, that in their opinion the scheme in question is of a very speculative character and has been put forward mainly in Russian interests. They think with Mr. Worthington, that the estimate of cost which has been mentioned allows a sufficient margin for dealing with the difficulties of the proposed route (which they take to be that referred to in the enclosed memorandum), but they would point out that so little is really known of the economic conditions and possibilities of development of Central Persia that any estimate of the revenue likely to be earned by the suggested railway must be largely conjectural. In any event, while Russian trade would probably be considerably benefited by the construction of such a line as that proposed—and possibly Indian trade also in a less degree—United Kingdom trade would probably not be benefited by it to any material extent, at any rate for a long time after its opening. The possibility, indeed, might have to be faced that the expansion of Russian trade in the interior of Persia might take place at the expense of purely United Kingdom trade.

The Board doubt the probability of much of the Australian export of goods and bullion availing itself of the proposed new route whether it were made to connect with the Indian railway system or to have its terminus at one of the Gulf ports. They agree with Mr. Worthington's view that so far as regards through traffic, the transport of passengers would probably form the bulk of the business of such a line, though even here the powerful competition of the sea route would always remain to be contended against. As regards through goods traffic, whether to the Far East, to Australasia, or to the Persian Gulf littoral, they do not think that the railway route would be utilised to any appreciable extent, involving as it would additional handling and greater cost, as well as a sense of insecurity until such time as it would be possible for a stable and enlightened Government to be established in Persia.

As regards the effect of the proposed railway on British trade with Persia, which is mainly carried on through the Persian Gulf ports, the board consider that the result would probably be to the disadvantage of British as compared with Russian trade unless the scheme included a line connecting Kerman with the Gulf. Such a line would possess solid advantages for British commercial interests, though it would be costly to construct, and the extent to which it would prove remunerative be doubtful. It would, however, appear essential that the control of any branch to the Gulf should be predominantly British, in view of the paramount British interests in the Persian Gulf. It is assumed, of course, that in the event of a railway being constructed in Persia connecting with the European system, specific stipulations would be insisted upon for equal facilities and charges in all respects for British passengers and goods with Russian passengers and goods. If these two conditions be fulfilled, viz., a line from Kerman to the Gulf in the control of which British influence should predominate, and equal facilities for all throughout the whole railway, the Board think that His Majesty's Government might adopt an attitude of benevolent neutrality towards the scheme.

The Board, however, doubt if, from a commercial point of view, the scheme is for the present likely to prove a success or to attract the investing public, unless the British, Indian, or Russian Governments, or the three jointly, are prepared to offer a guarantee of a certain minimum return on the capital embarked. The Board assume that there is little likelihood of either the Indian or the Home Government offering such a guarantee.

I am, &c.

W. F. MARWOOD.

Enclosure in No. 374.

Memorandum respecting the Persian Railway.

THE route favoured in the memorandum, on which the estimate of cost on p. 5 is based, is that from Baku to Seistan, and it is apparently the best for connecting the Russian and Indian railway systems. The precise route is not stated, but I gather the line would run from Baku along the coast to Resht (population 42,000), thence it would follow, more or less, the Russian road to Tehran (population 28,000), thence the Lynch road to Kum (population 35,000), thence to Kashan, then, leaving Ispahan (population 70,000) to the right, by Nain to Yazd (population 4,500 according to consul, but 60,000 according to Mr. Gleadowe-Newcomen), thence to Kerman (population 80,000 according to consul, but 90,000 to 100,000 according to Mr. Gleadowe-Newcomen), and

across the desert to Seistan. As to the feasibility of this route, I understand a carriage road could probably be made without difficulty along the coast from Baku to Resht, and that from Resht to Kerman the existing roads can be negotiated by a fourgon; although in the ascent from the coast to Tehran the gradients are as high as 1 in 10 or 12. The estimated cost of 85,000 roubles per verst, or about 13,500*l.* per mile, seems ample. In the United States 6,000*l.* per mile is a kind of average figure, taking rough and smooth, but not all mountain, of course, for a single line over a long distance. The India Office will probably have figures of cost of somewhat similar lines to the one in question.

The statement of estimated results is very difficult to value; any such estimates must involve a good deal of guesswork. Passengers would probably be the mainstay of the line; it would be very difficult to estimate what the amount of freight earned on goods might be. I notice the rate estimated to be obtained on goods for transit through Persia is nearly 37*s.* 6*d.* per ton, and if the rates, say, from Allahabad (to take a central point) to Seistan be added on the Indian side, and the rate from Baku to London on the European side, the total figure would be such as to preclude all but the most costly class of merchandise from being carried in through traffic. The competition of the overland route from London to Constantinople is hardly felt, I understand, by the sea route, and rates for such goods as might use it are much more than double the sea rates. Probably, however, the figures of the Trans-Siberian Railway, if obtainable, would form a better guide as to what might be expected on a through line to India. Doubtless there would always be a certain amount of specially valuable goods to be taken to India, and a certain amount of such goods to be brought from India, which would avail of a quick route, even at a high cost.

Coming to the actual questions as to the commercial aspects of the scheme from the point of view of British trade, the following figures are submitted, viz. :—

RUSSIAN Trade with Persia (from Persian Returns).

The following are the latest figures of Russian trade with Persia :—

	1,000 pounds.	Tons.
Exports from Russia in 1907—		
By Russo-Persian frontier	1,200	19,286
By Caucasus-Caspian frontier	5,161	82,945
By Astrakan	700	11,250
By Central Asian-Persian frontier ..	995	15,991
	8,056	129,472
Total exports from Russia to Persia in 1907	8,092	130,650
	Value, 26,263,675 roubles (2,983,000 <i>l.</i>).	
Imports into Russia in 1907—		
By Russo-Persian frontier	1,461	23,480
By Caucasus-Caspian frontier	3,935	63,241
By Astrakan	1,085	17,438
By Central Asian-Persian frontier ..	1,308	21,021
	7,789	125,180
Total imports into Russia from Persia in 1907	7,810	125,518
	Value, 25,313,910 roubles (2,672,000 <i>l.</i>).	

The above figures show, as was to be expected, that the Russian trade by the Gulf is a negligible quantity.

UNITED KINGDOM Trade with Persia (from United Kingdom Returns).

	1907.	1908.	1909.
Exports from United Kingdom—	£	£	£
Domestic	690,290	477,479	351,086
Foreign	7,720	4,692	4,053
Total exports ..	698,010	482,171	355,139
Imports into United Kingdom—			
Direct consignments	390,555	289,786	..
Indirect consignments (mostly imported from Persia via Asiatic Turkey)	235,454	140,398	..
Total imports ..	626,009	430,184	298,131

BRITISH INDIA Trade with Persia (from British India Returns).

	1907-8.	1908-9.
Exports from British India—	£	£
By sea (foreign goods)	423,000	313,000
By sea (Indian goods)	371,000	336,000
By land (Indian and foreign goods) ..	44,000	44,000
Total	843,000	693,000
Imports into British India—		
By sea	289,000	286,000
By land	22,000	20,000
	311,000	306,000

This shows that the great bulk of the trade is by way of the Gulf.

The advantage to British and Indian trade of a quick mail and passenger route to India would no doubt be considerable, but as regards goods it would be of minor importance (at least as regards British trade), for the reason that has been indicated in the foregoing. To Russian trade with India it would be of greater advantage than to British, for Russia is at present for practical purposes as far off from India as England, whereas by the all-rail route she would be much nearer than England. The following are the latest figures (from Russian returns) of total Russian trade with India :—

	1907.			
	1,000 pounds.	Tons.	Roubles.	£
Exports from Russia—				
By European and Black Sea frontiers ..	705	11,330	453,000	47,800
By Asiatic frontier			1,000	106
Imports into Russia—				
By European and Black Sea frontiers ..	2,253	36,209	12,063,000	1,273,000
By Asiatic frontier			2,803,000	296,000

Showing that the Russian exports to India are comparatively trifling, and that over 80 per cent. of Russian imports from India are brought by sea.

Probably, however, it is rather from the opening up of Persia which would be caused by the railway than from the more rapid communication with India that British trade, as a whole, would benefit. Persia is a sparsely populated country, it is true, with vast areas of mountain and desert; nevertheless, she has a total trade with

the outside world (figures for the year ending the 20th March, 1909), of over 12,500,000L, viz. :—

						£
Imports into Persia	..	..	..	..	..	6,692,000
Exports from Persia	..	..	..	..	..	6,097,000

and it is impossible to suppose that the coming of the railway would not have a similar effect in Persia to that which it has had in other previously little developed countries, namely, to increase the existing trade by the vastly improved and possibly cheaper transit facilities, to build up new trades by the development of the resources of the country, and, with a stable and enlightened Government, to enable more effective control to be exercised over unruly natives. As regards development of the resources of the country, it may be that there are in Persia localities, probably not a few, where agriculture might be extended by irrigation; while prospecting for minerals has, I take it, yet to be undertaken systematically on modern lines. Coal, it may be observed, is reported "abundant" in the Kerman district, but not "dug."

It may be argued, and no doubt with reason, that the development of Persia to the south by a railway from the north would benefit Russian more than British or other trade. If, therefore, the Seistan route be chosen, a connecting line to the coast, either from Kum to Ahwaz and Mohammerah, Kum to Ispahan, Shiraz, and Bushire, or Kerman to Bunder Abbas, should be made a *sine qua non*. With one of these lines made, however, British trade, with its cheap ocean freight, should benefit as much as Russian. Indian trade with Persia, all except a small percentage, goes by sea, and should benefit greatly by a railway to the Gulf, although possibly not quite so much as by linking up the proposed Persian railway with the Indian system.

Any of the lines to connect the proposed central line to Kerman with the coast would be very expensive, and if it comes to a simple question whether the central line is to be connected with the Indian railway system or with the Gulf, the latter would seem the most desirable alternative to adopt, except perhaps from the point of view of Indian trade with Russia. Chakbar is described as a good port, but it is much further from Kerman than is Bunder Abbas, and the route is through a good deal of desert; still it might on fuller investigation be found acceptable in case of need as an alternative to one of the well-known Gulf ports.

T. W.

August 25, 1910.

[33460]

No. 375.

Sir G. Barclay to Sir Edward Grey.—(Received September 14.)

(No. 365.)

(Telegraphic.) P.

Gulahck, September 14, 1910.

HORMUZ oxide.

In reply to your telegram No. 264 of the 12th September.

I am informed by Brown, Hick's agent in Tehran, that the contract will probably be signed in the course of present week. I therefore postpone putting in caveat in the meanwhile.

Since Mr. Marling's telegram No. 207 of the 2nd May I have heard nothing from the Persian Government.

Please refer to Mr. Marling's despatch No. 146 of the 7th August. I presume that Andrew Weir have satisfied you as to the validity of their contract.

[33473]

No. 376.

Mr. O'Beirne to Sir Edward Grey.—(Received September 14.)

(No. 257.)

(Telegraphic.) P.

St. Petersburg, September 14, 1910.

ENGAGEMENT of foreign assistants by Persian Government.

Your telegram No. 567 of the 13th September.

After considerable hesitation M. Sazonow has agreed to instruct M. Poklewsky in the general sense of your telegram referred to above.

M. Sazonow in the first place said that he still feared that Germany might use the employment of Americans as an argument on which to base a claim for the employment of her own nationals.

He then went on to say that, according to M. Poklewsky, the French and Italian representatives at Tehran, who had been instructed to refuse any application that the Persian Government might make for French or Italian assistants, had at the same time expressed a hope that the exclusion would apply equally to American citizens. In M. Sazonow's opinion this attitude of the French and Italian representatives created a difficulty. In promising to inform you of this, I pointed out to M. Sazonow that we could explain the circumstances at Paris and Rome.

M. Sazonow promised finally to send instructions to M. Poklewsky based on the general sense of your suggestions. He would tell M. Poklewsky, however, to state to the Persian Government that the engagement of Americans was "authorised" by Russia. In this way he hoped to make it clear to the Persian Government that no further refractory behaviour on their part would be tolerated.

M. Sazonow is of opinion that no effect will be produced by the present *démarche*, and that stronger language will have to be used by the two Powers. (Please compare my telegram immediately succeeding.)

[33474]

No. 377.

Mr. O'Beirne to Sir Edward Grey.—(Received September 14.)

(No. 258.)

(Telegraphic.) P.

St. Petersburg, September 14, 1910.

RUSSO-PERSIAN relations.

In a conversation which I had with M. Sazonow to-day, his Excellency said that the Persian Government's attitude was rapidly becoming intolerable. In the case of every demand which had been addressed to them of late they had refused to give any satisfaction. M. Sazonow cited the question of the conversion of the debts due to the Russian Bank, the case of the attack on M. Passek, the conditions attached by the Russian Government to the withdrawal of their troops, and the question of the engagement by the Persian Government of foreign assistants.

His Excellency added that M. Poklewsky had reported to him that the Government now in power at Tehran were proving entirely intractable.

M. Sazonow expressed the opinion that the Persian Government would be certain to disregard the proposed communication as to assistants, and said that in that case strong pressure would have to be brought to bear on them. His Excellency mentioned the following means by which such pressure might be exercised:—A threat that a demand would be made for the immediate payment of the arrears of debts due by the Persian Government; a threat to seize the Persian Customs; and to refuse to admit military stores through the Caucasus; a threat that not only would Russia not withdraw her troops from Persian territory, but that she would bring them up to "their full strength."

I remarked that action of the kind indicated in the last suggestion would be interpreted as a Russian military occupation of North Persia. M. Sazonow stated that he was convinced that the exercise of some such pressure as that which he had indicated was becoming inevitable, though Russia would not have recourse to it without the concurrence of His Majesty's Government.

[33464]

No. 378.

Sir G. Lowther to Sir Edward Grey.—(Received September 14.)

(No. 191.)

(Telegraphic.) P.

Constantinople, September 14, 1910.

SHEIKH of Mohammerah and Turkish authorities (please see your telegram No. 275 of the 12th instant).

I was informed yesterday by Rifaat Pasha that the Mutessarif of Kerbela has been sent to replace the Vali of Bussorah, who has been recalled. It seems that the excessive activity recently displayed by the Vali of Bussorah is the cause of this change.

In these circumstances, seeing that the Sheikh of Mohammerah ought to be gratified at the change, I submit that it would be better that no communication concerning agreement with sheikh should be made to the Porte at present.

[33464]

No. 379.

Sir Edward Grey to Sir G. Barclay.

(No. 287.)

(Telegraphic.) P.

Foreign Office, September 14, 1910.

MOHAMMERAH. Please instruct His Majesty's consul-general at Bushire to inform sheikh of vali's recall, as reported in Constantinople telegram No. 191 of to-day.

[30961]

No. 380.

Foreign Office to India Office.

Sir,

Foreign Office, September 14, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 24th ultimo, relative to the question of the renewal and extended assurances which it is proposed to give to the Sheikh of Mohammerah.

I am to inform you in reply that Sir E. Grey entirely shares the view held by Viscount Morley that, in the dispute between the sheikh and the Vali of Bussorah, the conduct of the former was correct and that of the latter completely unjustified, and that as soon as he learns of the King's consent to confer on the sheikh the distinction of a K.C.I.E. he will instruct His Majesty's Minister at Tehran to cause the assurances to be conveyed to the sheikh, since the two announcements would produce a greater effect if made to his Excellency simultaneously.

Sir E. Grey further concurs in the opinion expressed in the penultimate paragraph of your letter as to the unsatisfactory character of the attitude lately adopted by the Turkish Government and local authorities towards British interests, and is considering what representations His Majesty's Ambassador at Constantinople should be instructed to make on the subject. When he has reached a decision on this question a further communication will be addressed to you, but in the meanwhile he considers it better to avoid, for the present, a naval demonstration at the head of the Persian Gulf, and to arrange that, when His Majesty's consul-general at Bushire proceeds to Mohammerah to give the assurances to the sheikh, he should be conveyed to that port in a gun-boat.)

I am to add that the text of the assurances in question will be forwarded to His Majesty's consul at Bussorah as suggested in the last paragraph of your letter.

I am, &c.

LOUIS MALLET.

[33490]

No. 381.

Sir R. Rodd to Sir Edward Grey.—(Received September 15.)

(No. 139.)

Sir,

Posilipo, September 10, 1910.

ON receipt of your telegram No. 225 of the 24th ultimo, I addressed a note to the Italian Minister for Foreign Affairs, expressing to him the gratitude of His Majesty's Government for the undertaking which he had given to consult them should a request for the services of Italians for the reorganisation of the Persian gendarmerie be received.

I have now received from the Marquis di San Giuliano a reply, of which copy and translation are enclosed, stating that should the Persian Government make such a request it is the intention of the Italian Government to refuse it.

I have, &c.

RENNELL RODD.

Enclosure in No. 381.

The Marquis di San Giuliano to Sir R. Rodd.

(Translation.)

Sir,

*Ministry for Foreign Affairs,**September 5, 1910.*

IN your note of the 24th ultimo, your Excellency was so good as to communicate to me the satisfaction felt by His Britannic Majesty's Secretary of State for Foreign Affairs at being consulted by the Royal Government in anticipation of the eventuality that the Government of the Shah would invite Italy to appoint Italian subjects for the reorganisation of the gendarmerie in Persia.

In thanking your Excellency for this communication, I would add that should such a proposal be actually made to the Royal Government they intend to refuse it.

I have, &c.

SAN GIULIANO.

[33548]

No. 382.

*Anglo-Persian Oil Company to Foreign Office.—(Received September 15.)**Winchester House, Old Broad Street, London,**September 14, 1910.*

Sir,

I HAVE the honour to acknowledge receipt of your letter of the 8th instant, addressed to the vice-chairman, advising receipt of a telegram from His Majesty's Minister at Tehran reporting that Mr. Preece has suggested to the Persian Government a loan of 200,000*l.* on the security of the Government's shares in this company and in the proposed mining company.

In reply, I beg to state that Mr. Wallace will give his immediate attention to this letter on his return from his holiday, but, in the meantime, I may mention that I do not think there is the least chance of the board of this company, or of the members of Mr. M. Tarbett Fleming's syndicate, for whom I am acting, agreeing to a loan on these terms.

I have, &c.

C. GREENWAY,

Managing Director.

[33566]

No. 383.

Messrs. Seligman Brothers to Foreign Office.—(Received September 15.)

Sir,

18, Austin Friars, London, September 15, 1910.

IN continuation of the previous correspondence referring to a Persian loan, we have the honour to inform you that an enquiry has reached us, asking us whether we would lend that Government approximately 2,000,000*l.*

We are of opinion that at the present time a loan of this magnitude could not be raised in this market alone upon reasonable terms; but if your department had no objection to the co-operation of our correspondents in Holland, France, Germany and Switzerland, or such of them as we may wish to interest with us, we consider that the business will be feasible, always assuming that satisfactory terms can be concluded with the Persian Government.

Please understand that the negotiations will be entirely conducted between the Persian Government and ourselves only, and without reference to our correspondents. Further, the contract would be between our firm and the Persian Government only. Our correspondents would not be interested until the contract was concluded.

As the matter is one of some urgency, may we ask you to favour us with a reply at your earliest convenience.

We have, &c.

SELIGMAN BROTHERS.

[33567]

No. 384.

Sir G. Barclay to Sir Edward Grey.—(Received September 15.)

(No. 366.)

(Telegraphic.) P.

Gulahak, September 15, 1910.

SELIGMAN'S proposed loan to Persian Government.

I have been asked by Mr. Moore whether His Majesty's Government would raise objections to the eventual pledging to Seligman of the southern customs as part security for a loan, on the understanding that the Persian Government's debt to the Imperial Bank of Persia was discharged. Our Government loan would, of course, retain the first charge on the above-mentioned security.

In reply, I am informing him that I do not consider that His Majesty's Government would object, provided that they were satisfied that only British capital was to participate, but that until I am furnished with particulars of the proposed operation, and am able to discuss them with Russian Minister, I am unable to make any definite statement.

I am of opinion that a large loan pledged on Persian customs, which, after discharging the debts to the English and Russian banks, would leave a substantial balance in the hands of the Persian Government, is contemplated by Mr. Moore.

(Private.)

French Government have informed French Minister at Tehran, privately, that there are Germans concerned in Seligman's schemes for Persia. This is denied by Mr. Moore.

[33560]

No. 385.

Sir G. Barclay to Sir Edward Grey.—(Received September 15.)

(No. 367.)

(Telegraphic.) P.

Tehran, September 15, 1910.

MY telegram No. 364 of 13th September: Situation in Southern Persia.
Rival branches of the Bakhtiari have now made peace.

[33566]

No. 386.

Sir Edward Grey to Sir G. Barclay.

(No. 269.)

(Telegraphic.) P.

Foreign Office, September 15, 1910.

SELIGMAN'S proposed loan to Persia (see your telegram No. 366 of to-day).

A letter from Seligman received to-day states that in their opinion German, French, Swiss, and Dutch capital—or at least some of them—would have to be admitted in order to make a loan of 2,000,000*l.* possible. This is in contradiction to Moore's statement. If this were done, would it not give the other Powers a footing in the Gulf?

Would it be possible to ensure that shares should remain in British hands, even if capital were confined to British markets and loan made smaller?

Please reply with further observations by telegraph.

[33473]

No. 387.

Sir Edward Grey to Mr. O'Beirne.

(No. 576.)

(Telegraphic.) P.

Foreign Office, September 15, 1910.

FOREIGN assistants.

See your telegram No. 257 of yesterday.

I suggest that a modification in instructions to M. Poklewski in the sense of "authorising" appointment of Americans would be more politic. It lays stress on our approval, and this, from M. Sazonow's own point of view, makes explanation at Paris and Rome of our attitude somewhat more difficult, whereas we can say at present that Medjliss has insisted on appointing Americans, in spite of our advice, and that we can hardly withhold our consent, as Americans are not subjects of a great European Power.

I should be glad if you would discuss this with M. Sazonow.

[32824]

No. 388.

Sir Edward Grey to M. Daeschner.

Sir,

Foreign Office, September 15, 1910.

I HAVE the honour to acknowledge the receipt of your note of the 8th instant relative to the engagement of foreign officials for the reorganisation of the Persian administration, and to beg you to be good enough to convey to the French Government the thanks of His Majesty's Government for the assurance so promptly given that they will not encourage the introduction into Persia of more French citizens for this purpose so long as this appears undesirable to Great Britain and Russia.

As regards the renewal of the contract with the Persian Government of M. Bizot, their financial adviser, I have the honour to request that His Majesty's Government may be informed of that gentleman's intentions on this point as soon as he has made them known.

I have, &c.

E. GREY.

[31489]

No. 389.

Foreign Office to Lieutenant-Colonel Cox.

(No. 3.)

Sir,

Foreign Office, September 15, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your despatch No. 5 of the 7th ultimo relative to the question of the Turco-Persian frontier as affecting the possessions of the Sheikh of Mohammerah.

With reference to the further arguments which you put forward therein in favour of the reconsideration by His Majesty's Government of the decision adopted by them in 1908 as to the line which should be recognised, I am to transmit to you herewith copy of a despatch from Mr. Marling when His Majesty's chargé d'affaires at Tehran,* supporting the recommendations contained in your despatch No. 25 of the 8th May to him (copy of which had already been received as the enclosure in your despatch No. 2 of the same date), together with copy of Sir E. Grey's reply to Sir G. Barclay,† explaining his views in somewhat greater detail.

As regards the two special points respecting which you desire information, viz., the value and authority of the map forming Appendix (B) of Mr. Parker's memorandum of December 1906 and the situation of the fort belonging to Sheikh Jabir, I am to forward a memorandum containing the required explanations as far as it is possible to furnish them.

I am, &c.

LOUIS MALLET.

Enclosure in No. 389.

Memorandum by Mr. Parker respecting the Points raised by Lieutenant-Colonel Cox in his Despatch No. 5 of the 7th August, 1910, on the Turco-Persian Frontier Question as regards (a) the Map showing the Decisions arrived at by the Mediating Commissioners in regard to the Mohammerah District in 1850, and (b) the Fort of Sheikh Jabir.

WHEN, in 1850, the Turkish and Persian commissioners had put forward conflicting pretensions with regard to the southern portion of the Turco-Persian frontier, the mediating commissioners decided that:—

"Pour arranger cette question il faut que nous ayons en vue le but véritable du traité. Le traité a en vue de rendre Mohumreh un endroit de commerce et d'assurer le passage des bâtiments sur la Rivière Karun venant de l'intérieur du pays. Maintenant comment atteindre ce but? S'il fallait qu'un endroit quelconque des terres et des possessions à l'est de Mohumreh restât au Gouvernement ottoman cet endroit serait comme une colonie ou une île au milieu du territoire persan, ce qui serait contraire au

* No. 170.

† No. 321.

but véritable du traité. C'est pourquoi nous trouvons convenable que les terres à l'est de Mohumreh reste à la Perse pour former avec le Royaume lui-même de la Perse un corps entier, et que pour assurer l'embouchure du Karun il soit laissé à la Perse environ une heure de distance de la rive orientale du Chatt-el-Arab, c'est-à-dire, en abandonnant à la Perse jusqu'au canal qui se trouve au sud du château de Feylieh. Comme l'endroit où se trouve ce château domine la navigation vers Busreh, nous trouvons juste que cet endroit-là, ainsi que les terres au nord du dit canal, reste à la Turquie, car ainsi que la possession de Mohumreh et de l'embouchure du Karun serait assurée à la Perse, il faut pareillement assurer à la Turquie la navigation du Chatt vers Busreh.

"En prenant pour ligne du départ de la ligne frontière l'endroit du déversement du canal dans le Chatt-el-Arab, nous remettrons pour désigner les sinuosités et la prolongation de cette ligne dans la direction de l'embouchure mentionnée vers Howeizah jusqu'aux investigations que nos ingénieurs feront dans les endroits précités."

There was a question of the Palace being demolished, but it appears that the fortifications alone were razed, an indispensable measure in the opinion of the mediating commissioners.

Colonel Cox says:—

"... Apparently all we have to depend upon for an indication of the correct boundary as recommended by the commissioners is the document issued as Appendix (B) in Mr. Parker's memorandum of December 1906. I beg respectfully to enquire what is the precise value and authority of this document. . . ."

The value and authority of this document lies in the fact that it was, in original, sent to His Majesty's Government by Colonel Williams, the British commissioner, as a diagram destined to illustrate the conclusions of the mediating commissioners and the conflicting claims of the Mussulman Powers. The original is enclosed in Colonel Williams's despatch No. 3 of the 4th February, 1850, to Sir Stratford Canning, Her Majesty's Ambassador at Constantinople, who forwarded it in his despatch No. 110 of the 30th March, 1850.

In transmitting this diagram, Colonel Williams wrote:—

"Beginning from the mouths of the Shatt-el-Arab, the proposed line runs along the western bank of the Island of El Khizr, crosses the mouth of the Kaffar Canal, and then up the Shatt-el-Arab to the mouth of the Abu Djudei Canal, a distance of a geographical league from the Haifar, and there in a line as straight as circumstances will admit of to the town and district of Howeizah, passing through the towers named by Dervish Pasha. Thus we offer to Persia a free entrance to and security in the port of Mohammerah, at the same time reserving to Turkey the navigation of the Shatt-el-Arab by the destruction of a fort built by Sheikh Jabir during the conferences of Erzeroum."

His Majesty's Government pronounced in favour of the line selected by the mediating commissioners (despatches to Lord Bloomfield in July and August 1850).

Meantime the Persian Government, while disposed to forgo their own pretensions (Colonel Sheil, No. 35, the 25th March, 1850), maintained that the line proposed by the mediating commissioners ought to be drawn at a place 4 or 6 miles to the west of Feylieh, near a place called Tamar, the argument being that a portion of the Chaab tribe was in actual possession of the land up to the above spot if not beyond it. Colonel Sheil considered that, while the arguments of the Persian Government were well founded in the main, the advantage and justice of the decision of the mediating commissioners was so obvious that he had no hesitation in pressing its acceptance on the Persian Government, who eventually accepted the delimitation of the frontier according to the views of the mediating commissioners.

I have no reason to suppose that either the Turkish or the Persian Government were ever given copies of the working maps of Colonel Williams; the originals of these documents were lost in the Thames; the essential fact is that the decision of the commissioners, as illustrated on the diagram, was pressed upon the acceptance of both the Ottoman and Persian commissioners and their respective Governments. We have no reason to suppose that maps on a larger scale than the diagram were ever communicated to the two Governments.

A. P.

Foreign Office, September 5, 1910.

[33580]

No. 390.

Foreign Office to Lieutenant-Colonel H. R. Beddoes.

(Confidential.)

Sir,

Foreign Office, September 15, 1910.

WITH reference to your conversation of the 12th instant with Mr. Norman of this Office, in the course of which you asked that a private assurance might be conveyed to you in writing to the effect that the successful conclusion of the loan which Messrs. Seligman propose to make to the Persian Government would be agreeable to His Majesty's Government, I am directed by Secretary Sir Edward Grey to inform you that he is unable to consider the question of taking such a step without previously knowing the amount of the intended loan and the nature of the security agreed on.

I am to add that these particulars should be conveyed to him in writing by Messrs. Seligman themselves.

I am, &c.

LOUIS MALLET.

[33741]

No. 391.

Papers communicated to Foreign Office by Mr. Newell, September 16, 1910.

(1.)

Translation of Special Telegram received from Tehran, September 14, 1910.

PERSIAN Government has applied to us for a loan of 5,000,000 krans against jewels. If you agree, would suggest three months. At end of the term jewels to be sold in cover of this transaction. What would you suggest rate of interest? Reply as soon as possible.

(2.)

Translation of Special Telegram dispatched to Tehran, September 14, 1910.

IN reply to your telegram of to-day, in view of our large outstandings with Persian Government, most reluctantly decline the business.

(3.)

Translation of Special Telegram received from Tehran, September 15, 1910.

PERSIAN Government have urgent need of, and beg you to reconsider. If terms offered are unacceptable, upon what terms can you arrange the business? Money urgently required put in order provinces. If you agree to advance, hope include remaining 1,900,000 krans Government debt, same terms as last settlement.

(4.)

Draft Telegram to Tehran.

YOUR telegram of 15th September. Agree to lend 5,000,000 krans, provided remaining 1,900,000 krans included in Government debt. Get ample security your possession. Other details left to your discretion.

[33686]

No. 392.

Sir G. Barclay to Sir Edward Grey.—(Received September 16.)

(No. 368.)

(Telegraphic.) P.

Gulahek, September 16, 1910.

SELIGMAN'S proposed loan to Persian Government.

In reply to your telegram No. 269 of the 15th September, I have the honour to state that a loan raised in the manner indicated would, if secured on the southern customs, clearly afford a footing in the Gulf to other Powers.

It appears to me also that it would be impossible, even in the case of a smaller loan floated in London, to ensure that the bonds remained in British hands except under a private flotation such as that proposed by the Strathcona syndicate.

[33685]

No. 393.

Mr. O'Beirne to Sir Edward Grey.—(Received September 16.)

(No. 259.)

(Telegraphic.) P.

St. Petersburg, September 16, 1910.

ENGAGEMENT of foreign advisers by Persian Government.

Your telegram No. 576 of the 15th September.

M. Sazonow told me to-day that in the suggested communication to the Persian Government he would be willing to substitute for the word "authorises" a phrase to the effect that employment of American assistants would not be "vetoed" or would not be "objected to" by the two Governments.

M. Sazonow is anxious to have your views on the suggestions enumerated in my telegram No. 258 regarding the methods of bringing pressure to bear on the Persian Government. He is awaiting your views before communicating with M. Poklewsky on the subject.

[33741]

No. 394.

Sir Edward Grey to Mr. O'Beirne.

(No. 581.)

(Telegraphic.) P.

Foreign Office, September 16, 1910.

IMPERIAL Bank's loan to Persian Government.

Persian Government have applied to Imperial Bank for loan of 100,000l., on security of Crown jewels. Loan to be devoted to restoration of order in provinces.

His Majesty's Government are telling bank that they have no objection, and we hope for concurrence of Russian Government. It would not be easy for us to prevent a commercial transaction of this kind, especially as it includes an arrangement for the liquidation of a debt to the bank of about 200,000 kranas.

Please enquire and reply without delay.

[33474]

No. 395.

Sir Edward Grey to Sir G. Barclay.

(No. 270.)

(Telegraphic.) P.

Foreign Office, September 17, 1910.

I SHOULD be glad to learn your views on Mr. O'Beirne's telegram No. 288 of the 14th September, reporting suggestions of Russian Minister for Foreign Affairs as to bringing pressure to bear on Persian Government.

[33685]

No. 396.

Sir Edward Grey to Sir G. Barclay.

(No. 271.)

(Telegraphic.) P.

Foreign Office, September 17, 1910.

FOREIGN advisers for Persian Government (please see Mr. O'Beirne's telegram No. 259 of yesterday and my telegram No. 567 of the 13th September to him).

When a favourable moment presents itself you should join with M. Poklewski in a communication to Persian Government, as indicated in my telegram referred to, stating that Great Britain and Russia "do not object" to the appointment of Americans, which is not likely to give rise to international jealousies or to complicate the political situation.

[25031]

No. 397.

Sir Edward Grey to Sir G. Louther.

(No. 279.)

Sir,

Foreign Office, September 17, 1910.

I HAVE received your Excellency's despatches Nos. 318, 337, 349, 367, 402, and 452 of the 18th, 24th, and 30th May, 8th and 21st June, and 5th July respectively, forwarding copies of reports from His Majesty's consul at Bussorah respecting the recent dispute between the Vali of Bussorah and the Sheikh of Mohammerah.

After a careful study of these papers, which may be considered to present the val's case in connection with this question, and of a despatch from His Majesty's consul-general at Bushire, copy of which is enclosed for your information,* setting forth the history of the incident from the sheikh's point of view, I have reached the conclusion that the conduct of the val was violent and arbitrary, which, moreover, the Porte appear themselves to admit from the fact of his recall, and that the attitude of the sheikh was not otherwise than conciliatory and reasonable.

It appears to me that Mr. Crow, in his treatment of this question, has failed to realise what are the relations of His Majesty's Government with the sheikh and the true interests of Great Britain in the regions of the Persian Gulf, and that this is proved by his failure to inform your Excellency by telegraph of the val's projected attack on Zein as soon as it came to his knowledge (see his despatch No. 22 of the 23rd April to your Excellency), a step whereby most of the complications which subsequently arose might very likely have been avoided, and by the statement in his letter of the 27th April to His Majesty's acting consul at Mohammerah, that the sheikh's day of reckoning had come, and that, though the action of the Turkish authorities might be arbitrary, he would press for them to be supplied with the proper means to carry it through (see enclosure No. 6 in Colonel Cox's despatch No. 2, Confidential, of the 16th June).

I cannot but consider that Mr. Crow's conduct in connection with this incident has been injudicious and ill-calculated to further the policy of His Majesty's Government, and I must request your Excellency to call on him for an explanation of his general treatment of the question, and, in particular, of his attitude on the two points specified above.

A copy of the assurances which it is proposed to convey to the sheikh is enclosed for Mr. Crow's information.

I am, &c.

E. GREY.

[33809]

No. 398.

Sir G. Barclay to Sir Edward Grey.—(Received September 18.)

(No. 369.)

(Telegraphic.) R.

Tehran, September 18, 1910.

MY telegram No. 367 of 15th September.

Soulet is reported to be retiring south, disappointed apparently by Bakhtiari reconciliation.

[33810]

No. 399.

Sir G. Barclay to Sir Edward Grey.—(Received September 18.)

(No. 370.)

(Telegraphic.) P.

Gulahck, September 18, 1910.

TURKS and Sheikh of Mohammerah.

With reference to your telegram No. 263 of the 12th September.

It is unnecessary for me to reply to second paragraph of your above-mentioned telegram now that vali is to be recalled, but I submit, after consultation with His Majesty's consul-general at Bushire, that it is desirable, in order to obviate the repetition of similar incidents, that our relations with Sheikh Khazal should be made clear to the Turkish Government, unless the situation at Constantinople, of which Sir G. Lowther is, of course, most competent to judge, renders the present moment inopportune for such action, by a communication of the nature indicated in your above-mentioned telegram, section 1. I share Colonel Cox's opinion that it would be easier for us to take advantage of the present opening to declare our policy than to await some fresh incident which may lead to more serious results. It seems in no way certain that vali is being removed for excessive activity, and His Majesty's consul-general believes that unless some comment on the lines indicated is made by us, his recall will probably be attributed to his strained relations with the Vali of Bagdad.

I further concur with His Majesty's consul-general that a message might be conveyed to the Sheikh of Mohammerah, informing him that His Majesty's Government have now considered both sides, and are of opinion that he is completely vindicated, and that the statesmanlike and restrained attitude which he maintained throughout the incident has not escaped the notice of His Majesty's Government. The sense of our communication to the Porte, if we make it, might also be conveyed to him. I submit that the opportunity for making the communication to the sheikh might be left to the discretion of Colonel Cox. The transmission of our assurances, and the bestowal of the honour, if these are not long delayed, would probably be the most suitable occasion.

[33811]

No. 400.

Sir G. Barclay to Sir Edward Grey.—(Received September 18.)

(No. 371.)

(Telegraphic.) P.

Gulahck, September 18, 1910.

TRADE in Northern Persia.

In reply to your telegram No. 248 of the 23rd August, I have the honour to report that I can obtain no confirmation of the statement of the Manchester firm that British trade in North Persia has been entirely destroyed by Russian advance into Azerbaijan. Neither of their local agents at Tabreez or Tehran understand the report.

Russian competition has for years past been killing British trade in Northern Persia, but these conditions have in no way been affected by the Russian advance.

Further, acting consul at Tabreez reports that, in his opinion, and in that of other merchants, the presence of Russian troops in Tabreez has alone prevented business from being completely paralysed.

[33835]

No. 401.

Sir G. Lowther to Sir Edward Grey.—(Received September 19.)

(No. 638.)

Sir,

Constantinople, September 9, 1910.

WITH reference to my despatch No. 594 of the 23rd August, I have the honour to forward herewith a despatch from His Majesty's consul at Erzeroum, giving the Vali of Erzeroum's version of the incident reported in my above-mentioned despatch.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 401.

Consul McGregor to Sir G. Lowther.

(No. 61. Confidential.)

Sir,

Erzeroum, August 29, 1910.

WITH reference to my despatch No. 56, Confidential, of the 13th instant, I have the honour to report to your Excellency that I called on Jellal Bey, Governor-General of Erzeroum, yesterday, and enquired whether he could give me any information with respect to the recent Turco-Persian frontier incident, which, I understand, is now forming the subject of conversation at Constantinople between the Persian and Russian Embassies and the Imperial Government.

His Excellency informed me, in reply, that the immediate cause of the incident was the constant encroachment of Persian Kurds, who, encouraged by the Hakim of Ovajik and the influential Sardar of Maku, had been for years stealthily appropriating lands belonging to Turkish Kurds, and had been sowing crops and mowing hay in the fields thus acquired. This had naturally led to disputes, and when, a couple of months ago, the officer commanding a small detachment had ordered some Persians to quit certain lands belonging to Turkish Kurds near the hamlet of Nefto, the former had opened fire on the troops, in consequence of which the aggressors were severely chastised on the following day, several being killed and wounded. Immediately on learning of the occurrence a member of the Russian Legation at Tehran who happened to be at Maku at the time proceeded to Nefto with a Cossack escort and approached the Turkish detachment with the object of protesting. The commanding officer, however, refused to receive this gentleman until he had sent his escort back to Nefto, and on learning the object of the visit declared that he must decline to enter into discussion regarding a matter exclusively concerning the Ottoman and Persian Governments. The Russian thereupon took his departure.

In the meantime the vali had received instructions to discuss the question on the spot with Daud Khan, the Persian consul-general at Erzeroum, and the latter had also been similarly instructed by his Ambassador at Constantinople. The consul-general, however—who receives no salary, and is understood to be living in a state of almost complete destitution—could not afford the expense of the journey, and the vali consequently proceeded alone to Bayazid, where he satisfied himself, from a perusal of official archives, not only that the territory actually contested was Turkish, but that so recently as eight years ago Turkish troops had been in effective occupation of points two hours' march beyond Nefto.

While at Bayazid, Jellal Bey received several visits from M. Mikhaïloff, the Russian consul there, who protested officially against the violation of Persian territory, and intimated to the vali his intention of accompanying his Excellency to the spot and there conducting an enquiry in common, according to instructions received from his embassy. M. Mikhaïloff, whose conduct on this occasion seems to have been worthy of the worst traditions of Russian officialdom—he severely thrashed a municipal agent in the vali's presence—was informed that Jellal Bey had no instructions to enter into negotiations with him, and that an enquiry in common was out of the question.

The vali then proceeded to the frontier, after some discussion with the Persian vice-consul at Bayazid, and there met a brother of the Sardar of Maku, who, however, was unable to adduce any evidence in support of Persian claims, and betrayed some mortification on being shown the traces of Turkish encampments far beyond the point actually in dispute.

Jellal Bey informed me that there were only two battalions distributed along the frontier, and that the number of men at Nefto did not exceed twenty. The discussion of the matter had now been transferred to Constantinople, and his report would leave by yesterday's mail.

I should not omit to mention that, according to the vali's statement, the Persian squatters were told that they would be allowed to take possession of their crops on payment of the tithe, but that no more sowing or planting would be permitted.

I have, &c.

P. J. C. MCGREGOR.

[34022]

No. 402.

Sir G. Barclay to Sir Edward Grey.—(Received September 19.)

(No. 372.)

(Telegraphic.) P.

Gulahek, September 19, 1910.

ENGAGEMENT of foreign assistants.

With reference to your telegram No. 270 of the 17th September, I have the honour to report that I should be most unwilling to concur in Russia's employing any of the threats proposed. Such a step might bring about the downfall of the present Ministry—an issue I should regret, although it would doubtless be viewed by Russia with more than equanimity. I submit, however, that if any of the threats are to be employed it would be better to take action immediately than to await the eventuality of the Persian Government disregarding the communication which the two Governments are on the eve of making. I venture to suggest that if we were obliged to use these threats—as is apparently contemplated by Russia—in the face, for example, of a decision to employ German assistants, we should be placed in a very awkward position.

I quite agree that it is most important that we should in this matter exercise sufficient pressure to obtain what we desire before the Persian Government goes any further, but I am confident that this object would be effected by the communication suggested in my telegram No. 360 of the 11th September, which is stronger than that proposed in your telegram to Mr. O'Beirne, No. 567 of the 13th September, and which would ensure that after an application for the loan of assistants to Italy and France had been refused and Persia had to look elsewhere she would recognise the necessity of turning to the minor Powers to fill these posts.

I would therefore beg to be authorised to substitute for the concluding sentence of the communication as drawn up in your telegram to Mr. O'Beirne, No. 567 of the 13th September, the words "any further" to the end of my telegram No. 360 of the 11th September.

M. Poklewski would not need authorisation to accept this change of wording.

[34026]

No. 403.

Sir G. Barclay to Sir Edward Grey.—(Received September 19.)

(No. 373.)

(Telegraphic.) P.

Gulahek, September 19, 1910.

PROPOSED loan to Persian Government on Crown jewels.

I am informed by M. Poklewski that he has been consulted by Russian Government with respect to a proposal that Russia should participate in a loan, for which the Persian Government have applied to the Imperial Bank of Persia, on the security of the Crown jewels.

Persian Government expressly stipulated that this application should be kept secret, and the manager of the Imperial Bank, Tehran, did not therefore advise me of it.

I should be glad to know what attitude you are taking up at St. Petersburg in this matter.

Persian Government, I learn from bank manager, would not consent to Russian participation.

[34108]

No. 404.

Messrs. Ziegler and Co. to Foreign Office.—(Received September 20.)

Sir,

Manchester, September 19, 1910.

WITH reference to the communication which we had the honour of submitting to you on the 16th August, we take the liberty of addressing you again on the subject in order to point out that on reading our letter again it has struck us that our reference to the effect on our trade of the Russian advance in the Azerbaidjan is somewhat ambiguous and liable to be misunderstood.

We therefore think it best to write to say that in using that expression we intended to refer merely to the commercial activity of the Russians in Northern Persia, and although we think that our letter in its entirety bears out this view, we are anxious to prevent any possible misunderstandings on this point.

We have, &c.

PH. ZIEGLER AND Co.

[33460]

No. 405.

Sir Edward Grey to Sir G. Barclay.

(No. 272.)

(Telegraphic.) R.

Foreign Office, September 20, 1910.

YOUR telegram No. 365 of 14th September, last paragraph: Hormuz oxide.

There appear to be certain technical irregularities in the contract, but as Muin-ul-Tujjar has, according to Messrs. Ellinger, repeatedly acknowledged its force in correspondence and has received money and shipped oxide under it, he would be bound by it under English law.

[34026]

No. 406.

Sir Edward Grey to Sir G. Barclay.

(No. 273.)

(Telegraphic.) P.

Foreign Office, September 20, 1910.

IMPERIAL Bank's loan to Persian Government (see your telegram No. 373 of yesterday and Mr. O'Beirne's No. 581 of the 16th instant).

The following telegram has been sent to Mr. O'Beirne:—

"His Majesty's Government had no idea that Russian participation was contemplated. Russian reply has not yet reached them."

[34022]

No. 407.

Sir Edward Grey to Mr. O'Beirne.

(No. 585.)

(Telegraphic.) P.

Foreign Office, September 20, 1910.

FOREIGN assistants (see first paragraph of your telegram No. 259 of the 16th instant).

Sir G. Barclay has suggested that adoption of wording of last paragraph of his telegram No. 360 of the 11th instant from the words "any further disregard" to the end of the paragraph instead of that in my telegram No. 567 of the 13th September from "engagement of Europeans" down to "affected" would strengthen communication to Persian Government.

To this I have agreed. I hope M. Sazonow will instruct M. Poklewski similarly.

As regards your telegram No. 259, second paragraph, I will telegraph further.

[34272]

No. 408.

Sir G. Barclay to Sir Edward Grey.—(Received September 21.)

(No. 374.)

(Telegraphic.) P.

Gulahek, September 21, 1910.

PROPOSED loan to Persian Government on Crown jewels.

With reference to your telegram No. 273 of the 20th September.

M. Poklewski informs me that Russian Government understood that you had suggested that the Banque d'Escompte should participate in the proposed loan to Persian Government on security of Crown jewels.

Russian Minister has called my attention to an article in the concession of Russian Bank under terms of which the monopoly of all pawnbroking is reserved to that bank.

[34267]

No. 409.

Mr. O'Beirne to Sir Edward Grey.—(Received September 21.)

(No. 262.)

(Telegraphic.) R.

St. Petersburg, September 21, 1910.

YOUR telegram No 585 of the 20th September: Foreign assistants for Persia.
Acting Minister for Foreign Affairs concurs in proposed change in communication to Persian Government.

[34270]

No. 410.

Sir G. Lowther to Sir Edward Grey.—(Received September 21.)

(No. 199.)

(Telegraphic.) P.

Constantinople, September 21, 1910.

TURCO-PERSIAN frontier.

My telegram No. 163 of the 20th ultimo to Foreign Office.

Rifaat Pasha has informed me that ten men are being sent to Turkish consulate at Urumia and fifteen to that at Soujboulak at the request of the Ottoman consuls at those places, who were obliged to ask for an addition to the consulate guard owing to continued disorders on the frontier. His Excellency added that he was also going to inform the Russian Ambassador.

[33337]

No. 411.

Sir Edward Grey to Sir G. Barclay.

(No. 276.)

(Telegraphic.) R.

Foreign Office, September 21, 1910.

MY despatch No. 114 of 11th July: Roads in Persia.

Persian Transport Company state that it has been impossible to begin work on portions in Russian sphere of roads for construction of which they hold concession on account of insecurity, and ask that you may be instructed at once to apply to Persian Government for extension of period of concession for ten years beyond the 24th August, 1912. Company have made financial arrangements to begin work on Kum-Ispahan section at once, provided Persian Government can guarantee safety of staff, and are willing to expend 12,000*l.* instead of 5,000*l.* originally agreed on in return for right to levy tolls.

They also request support for application to Persian Government for increase of tolls on Kum-Tehran road, which shall also apply to Kum-Ispahan section when completed.

As regards section of road from Sultanabad to point about 60 miles distant between Khorramabad and Barajird, company suggest that, as it represents integral portion of Sultanabad-Ahwaz road, greater part of which lies outside Russian sphere, Russian Government are unlikely to object to extension.

According to information given in confidence by Sir T. Gordon in June, reason of company's failure to construct is not insecurity alone or even principally, but lack of money. What is your opinion?

Do you think that even if Russian Government made no objection it would be advisable that you should approach Persian Government yourself as desired? I should have thought this might bring about rejection of company's request.

Sir T. Gordon also stated that a Mr. Redfern was already negotiating for extension on company's behalf. Is this so? Company now say nothing of him.

Would it be safe to begin work now on Kum-Ispahan section as proposed? I presume that this portion within Russian sphere could be completed within the time if Persian Government guaranteed security.

Russian Government would of course have to agree to extension before Persian Government were approached. They are in no way bound to do this, nor does it seem probable that they will except in return for some *quid pro quo*.

Can you suggest any form of bargain?

[31306]

No. 412.

Sir Edward Grey to Sir G. Barclay.

(No. 157.)

Sir,

Foreign Office, September 21, 1910.

WITH reference to Mr. Marling's despatch No. 141 of the 31st July last, I transmit to you herewith the answer of the King to the letter from his Highness the Regent of Persia, notifying, in the name of His Imperial Majesty the Shah, the appointment of Mohammed Hassan Mirza as heir-presumptive to the Throne, and I am to desire that you will deliver this letter (a copy of which is enclosed) in the usual form.

You should at the same time make to his Highness the verbal communication contemplated in my telegram No. 231 of the 6th ultimo to Mr. Marling, making use for this purpose of language similar to that employed by your Russian colleague in delivering the reply of the Emperor to the Regent's letter.

I am, &c.

E. GREY.

Enclosure in No. 412.

The King to the Shah of Persia.

Sir, my Brother,

Balmoral, September 10, 1910.

I HAVE received the letter which your Imperial Majesty addressed to my beloved father, of blessed memory, and in which you state that you have appointed your dear brother, His Royal Highness Mohammed Hassan Mirza, to be heir to the Throne of Persia.

I thank your Imperial Majesty for this communication, and in assuring you that my best wishes attend His Royal Highness Mohammed Hassan Mirza, I renew, &c.

GEORGE R. I.

[34235]

No. 413.

Sir Edward Grey to Sir F. Bertie.

(No. 419.)

Sir,

Foreign Office, September 21, 1910.

THE French chargé d'affaires called at this Office on the 17th instant and enquired my view of the decision of the Persian Assembly to apply to the United States Government for the loan of experts for service in the Persian Ministry of Finance.

M. Daeschner was informed that, the United States not being a European Power and having no political or commercial interests in Persia, His Majesty's and the Russian Governments did not feel in a position to refuse their consent to this proposal; but that, if the Persian Government were to ignore their wishes to the extent of engaging the services of subjects of a Great European Power, the two Governments would expect that their own nationals should also be engaged.

M. Daeschner promised to report these remarks to his Government, on whose part he did not appear to anticipate any objection to this attitude.

I have instructed His Majesty's Ambassador at Rome to make an explanation in this sense to the Italian Government in connection with the communication which, as your Excellency is aware, was recently made to them on the subject.

I am, &c.

E. GREY.

[33490]

No. 414.

Sir Edward Grey to Sir R. Rodd.

(No. 110.)

Sir,

Foreign Office, September 21, 1910.

I HAVE received your Excellency's despatch No. 139 of the 10th instant, relative to the engagement by the Persian Government of foreign officials for the reorganisation of their administration.

I request your Excellency to inform the Italian Minister for Foreign Affairs, in connection with this subject, that the Persian Assembly have now decided to apply to the United States Government for the loan of experts for service in the Ministry of Finance, and that, the United States not being a European Power and having no political or commercial interests in Persia, His Majesty's and the Russian Governments do not feel in a position to refuse their consent to this proposal; but that, if the Persian Government were to ignore their wishes to the extent of engaging the services of subjects of a Great European Power, the two Governments would expect that their own nationals should also be engaged.

An explanation in this sense has been given to the French chargé d'affaires, who enquired my view of the proposal now made by the Persian Assembly.

I am, &c.

E. GREY.

[34365]

No. 415.

The "Friends of Armenia" to Foreign Office.—(Received September 22.)

47, Victoria Street, Westminster,
September 21, 1910.

Sir,

I AM directed by the executive committee of the "Friends of Armenia" to forward you a copy of a letter received lately from Urumia. Enclosed please find the same.

Faithfully yours,

MARY HICKSON,

Honorary Secretary.

Enclosure in No. 415.

Mr. Shedd to Dr. Rendel Harris.

My dear Dr. Harris,

Urumia, Persia, July 14, 1910.

I AM coming to you again with an appeal for help, hoping that you will kindly pass it on to Mr. Brooks, of the "Friends of Armenia," if you think it best to do so. The people for whom I wish to appeal are the same ones whom you have several times helped. At the time of the rush of refugees from Turkey at the time of the Armenian massacres, there were among others the Syrians of Mar Bishu, a little valley with a very ancient church, between us and Gawar. Most of these returned to Mar Bishu, but some eighty or a hundred houses settled in Tergawar in a village called Dustellan. Here, under their leader, one of our evangelical preachers, they worked and got a good start again. As you know, the border near us has been the scene of more or less disorder for the past seven or eight years. Among the worst sufferers have been these people. When the Turks came over and seized the border regions of Tergawar, Mergawar, &c., they with the other Christians fled. This colony, with our advice, and, I believe, also with some more help from you, settled again in what seemed to us a very favourable location. Again they set to work and got a fine start, though they have been at a disadvantage from the disturbances that have been so general. Unfortunately a Kurdish chief, who has chosen to stay by the Persians and not be annexed to Turkey, was given quarters in the village by the landlord, partly because the village had once been the stronghold of one of his ancestors, a famous robber. So the Syrians have had to support not only themselves, but this noble robber with his thirty or forty minor thieves. Appeals have often been made to the Persian authorities in some way to get rid of this Kurd, but they have been too busy keeping their own heads above water to do much for others. This year another calamity came on the others in the way of a most terrific hail-storm, which simply destroyed their crops and

even the mountain grass, which they depend on for their sheep in the winter. Besides them, one other Syrian village is in dire distress from the combined ravages of this Tamar Agha and the hail, and we should like very much to be able to do something for the neediest of them.

It seems from the actions of the Turks and from the direct statements of their officials in Van and elsewhere that the Turks have made up their minds to have Urumia. They have actual possession of scores of villages around us and on the south down to the shores of the lake that have been Persian territory for generations. The worst of it for us here is that they are following the policy of letting the Kurds near by harass the villages, and take actual possession of them, in order to keep them in distress till they can come in as saviours.

I am writing at our college place 2 miles out from the city, and all the villages near us are in possession of a miserable Kurdish robber. The landlords get nothing from the villagers, or get only by favour of the Kurd. He lives off the villagers. The Persian Government dare do nothing for fear of the Turks. Turkish occupation may possibly be inevitable, or even desirable, but it is hard to have it come in this way.

I hope that you will forgive me for making this appeal, and I hope very much that the way may be open for you to help us out.

Yours sincerely,

W. A. SHEDD.

[34409]

No. 416.

Sir G. Barclay to Sir Edward Grey.—(Received September 22.)

(Treaty.)

(Telegraphic.) *En clair.**Tehran, September 22, 1910.*

I MUCH regret to report that Regent died this afternoon.

[34406]

No. 417.

Mr. O'Beirne to Sir Edward Grey.—(Received September 22.)

(No. 263.)

(Telegraphic.) P.

St. Petersburg, September 22, 1910.

ANGLO-RUSSIAN relations with Persia.

The "Novoe Vremya" publishes to-day a leading article, which is evidently officially inspired, calling attention to the manner in which the rights and interests of both Russia and Great Britain are systematically disregarded by the Persian Government. The article goes on to say that there are various methods by which nations, without resorting to actual compulsion, can assert their rights, and expresses the opinion that Russia would "certainly not meet with a refusal" from Great Britain if she were to invite British participation in measures of the nature indicated.

The appearance of this article seems to me not without significance when taken in conjunction with the language which M. Sazonow used to me recently.

[34407]

No. 418.

Mr. O'Beirne to Sir Edward Grey.—(Received September 22.)

(No. 264.)

(Telegraphic.) P.

St. Petersburg, September 22, 1910.

PERSIA. Proposed loan on security of Crown jewels.

Sir G. Barclay's telegram No. 374 of the 21st March.

It was explained to me to-day by M. Sazonow that, by an error on the part of the Ministry of Foreign Affairs here, M. Poklewsky was told that Russia had been invited by His Majesty's Government to participate in the loan. M. Sazonow said that this mistake had been put right, but that the difficulty now was that by the Russian Bank's concession exclusive right was given to it to negotiate mortgages on property belonging to the Persian State. His Excellency was now in consultation on this point with the Ministry of Finance, and was awaiting their views.

I told M. Sazonow that I understood that there was no desire on the part of the Russian Government to make a loan themselves, and I pointed out that it ought to be an easy matter for the Imperial Bank of Persia to make the loan without prejudice to the special privileges secured to the Russian Bank.

[34022]

No. 419.

Sir Edward Grey to Mr. O'Beirne.

(No. 586.)

(Telegraphic.) P.

Foreign Office, September 22, 1910.

PERSIA (see my telegram No. 585 of the 20th September).

Course of action outlined by M. Sazonow does not seem to me to offer any chance of improvement in relations with Persia. Downfall of present Cabinet would probably result from such a course, but it would be difficult for any succeeding Cabinet to adopt a more conciliatory attitude while the temper of the Persian Medjliss and people remains in its present state. Moreover, once we had adopted such a line of action we may be compelled to go as far as the occupation of northern Persia; indeed, any increase in the present garrisons there would be interpreted as a step in this direction, as you have rightly observed.

It is unnecessary for me to allude to the difficulties which would arise for us out of such a situation, nor forecast the criticism to which, in view of wording of preamble to Anglo-Russian agreement, we should expose ourselves.

Best means of ensuring an improvement in relations is, I still maintain, the withdrawal of the Kazvin force, and surely some means could be devised whereby the Persian Government could save its face with regard to concessions.

I am ready to enquire if Persian Government would be disposed to accept my assistance, if I can be of any use in trying to come to some arrangement.

[34272]

No. 420.

Sir Edward Grey to Mr. O'Beirne.

(No. 588.)

(Telegraphic.) P.

Foreign Office, September 22, 1910.

IMPERIAL Bank's proposed loan to Persia. Please see my telegram No. 581 of the 16th September.

Imperial Bank are pressing us. Could you obtain an answer as soon as possible?

[34592]

No. 421.

Telegram for Tehran.—(Communicated by Sir T. Jackson, September 22.)

REFERRING to your telegrams of the 14th and 15th instant the directors agree to your making the advance of 5,000,000 krans, on the security of the Crown jewels, with a very ample margin over expert valuation. Rate of interest left to your discretion. Make it a condition that the 1,900,000 krans you refer to be added to the Government debt on similar terms as present debt, and secured by the excess receipts of the southern customs after satisfying interest and principal of existing debts. We suggest supplementary agreement in order not to interfere with existing arrangement. Any other details left to your discretion.

[33686]

No. 422.

Foreign Office to Messrs. Seligman Brothers.

Gentlemen,

Foreign Office, September 22, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 15th instant, relative to a proposed loan to the Persian Government of about 2,000,000*l.*

I am to enquire what security it is proposed to assign to the service of this loan, and what would be the precise extent of the co-operation of your correspondents in

France, Germany, Holland, and Switzerland, which you desire to enlist, *e.g.*, what proportion of the shares would be offered for sale in foreign markets, and whether the foreign interests involved would be represented on the board of directors of the company which would be formed.

I am to add that His Majesty's Government could not view with favour any proposal of the kind in question unless they had previously obtained the consent of the Russian Government to this course.

I am, &c.

LOUIS MALLET.

[34473]

No. 423.

Mirza Mehdi Khan to Sir Edward Grey.—(Received September 23.)

Sir,

Persian Legation, London, September 22, 1910.

I HAVE the honour to inform you, with deep sorrow, that my Government have to-day telegraphed to me the very sad news of the death of His Highness the Azad-ol-Molk, Regent of Persia.

This very sad event took place to-day.

I have, &c.

MEHDI.

[34467]

No. 424.

India Office to Foreign Office.—(Received September 23.)

Sir,

India Office, September 22, 1910.

IN reply to your letter dated the 5th September, 1910, regarding the maintenance of the escort of His Majesty's consul at Shiraz at its present strength, I am directed to inform you that the Secretary of State for India in Council concurs in this proposal on condition that the escort is reduced to its normal strength as soon as the step can be safely taken. His Lordship is prepared to accept one-half of the expenditure involved as a charge against Indian revenues.

I am, &c.

COLIN G. CAMPBELL.

[34499]

No. 425.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 375.)

(Telegraphic.) P.

Gulahak, September 23, 1910.

HORMUZ oxide.

In continuation of my telegram No. 365 of the 14th September, I have the honour to report that a further delay has occurred in the signing of Strick's contract. I am, however, withholding caveat, as I understand from Mr. Brown that the delay will not be long.

[34513]

No. 426.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 376.)

(Telegraphic.) P.

Gulahak, September 23, 1910.

RUSSO-PERSIAN relations.

Up till the present my endeavours to induce the Persian Government to give satisfaction to Russia on the two points upon which M. Poklewski has made the withdrawal of the Kazvin force conditional, *viz.*, extension of Karadagagh copper-mine concession and the free entry of motor-cars for use on the Tabreez-Julla and Kazvin-Enzeli routes have proved unsuccessful, although former Ministries have frequently

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assured both Mr. Marling and myself that, in principle, these matters had already been agreed to.

Minister for Foreign Affairs, whom I saw yesterday, complained more strongly than usual of the non-withdrawal of the Russian troops. Their presence, he said, nurtured the idea that the ex-Shah would be restored, and he referred to the rebellion of a certain Amir Mukarram in the Demavend district, which was causing the Government some uneasiness, and which, his Excellency alleged, was inspired by the hope of the ex-Shah's return. His Excellency thought that it was solely the continued presence of the Russian troops which was responsible for such movements and also for the disorders on the southern roads.

Although it is doubtless an exaggeration to attribute the troubles in Fars to this cause, I adhere to my opinion that the maintenance of the Russian troops in the country makes for agitation, and I believe that the sooner the force stationed at Kazvin at least is recalled the greater the chance there will be of a return of order in the country. I reminded Hussein Kuli Khan of the statement made by Russian Acting Minister for Foreign Affairs to Persian chargé d'affaires (please refer to St. Petersburg telegram No. 245 of the 1st September). In reply he stated that the Medjliss would not accept the proposal for the free entry of motor-cars, which would place the entire control of the traffic on the northern roads in the hands of Russia.

I fear from M. Poklewski's present mood, and from M. O'Beirne's recent telegrams, and in conjunction with the senseless anti-Russian agitation in the Persian press, that it would be probably very difficult—should you decide to take action at St. Petersburg—to induce the Russian Government to abate their demands. It is, however, difficult to reconcile these demands with the attitude taken up by Russian Acting Minister for Foreign Affairs in April last (please refer to Sir A. Nicolson's telegrams Nos. 124 and 127 of the 14th and 18th April respectively). Present Cabinet does not attach a subsidiary importance entirely to one of them (your telegram No. 205 of the 4th July).

[34505]

No. 427.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 377.)

(Telegraphic.) P.

Gulahek, September 23, 1910.

PROPOSED loan to Persian Government on Crown jewels.

With reference to final paragraph of my telegram No. 374 of the 21st September, my attention has been drawn by manager of Imperial Bank of Persia, Tehran, to article 6 of the Bank's concession by the terms of which bank is pledged to hold itself at the disposal of the Persian Government for loans upon the security of such pledges as may be agreed upon between the two parties.

[34509]

No. 428.

Sir G. Louther to Sir Edward Grey.—(Received September 23.)

(No. 202.)

(Telegraphic.) P.

Constantinople, September 23, 1910.

SHEIKH of Mohammerah and Turkish authorities.

Please see your telegram No. 281 of yesterday.

The Sheikh of Mohammerah being a subject of the Persian Government, the objection which I see to making a communication to him as proposed is that the chauvinist element in Turkey would use it to try and show that our policy in Persia, a kindred Asiatic country, is a grasping one, and to prove by distorting the facts as may seem necessary that we are pursuing a policy of aggressive penetration in the regions round the head of the Persian Gulf.

[34511]

No. 429.

Mr. O'Beirne to Sir Edward Grey.—(Received September 23.)

(No. 265.)

(Telegraphic.) P.

St. Petersburg, September 23, 1910.

ANGLO-RUSSIAN relations with Persia.

I saw M. Sazonow this afternoon and read to him your telegram No. 586 of the 22nd September.

The statement of your views seemed to cause his Excellency considerable disappointment, and he gave me to understand that the Russian Government had not changed their opinion, but still held the view which he had expressed to me on the 14th instant and which I reported in my telegram No. 258 of that date. He said that it was impossible for Great Britain and Russia to allow the Persian Government to flout them indefinitely. The prestige of the two Powers in Asia was endangered by their continued acquiescence in such treatment.

M. Sazonow said that, in deference to the opinion which you had expressed, he would give up the idea of bringing joint pressure to bear on the Persian Government. The Russian Government, however, would consider the question of exerting pressure on their own account, for instance, by forbidding the Persian Government to import munitions of war through the Caucasus.

I pointed out how deplorable it would be if any action were taken which could give the impression that Great Britain and Russia were no longer working together in close accord in Persia. M. Sazonow agreed heartily to this, but said that he considered that no such impression could be conveyed by the measure contemplated, as the Caucasus interested Russia alone. As to the general necessity for co-operation in Persia, M. Sazonow most emphatically concurred in what I had said as regards the question of the withdrawal of the Kazvin force. His Excellency said that in the present circumstances the force could not be withdrawn without giving the impression that Russia was yielding to pressure. He recognised that it was impossible logically to defend the conditions which had been attached to the withdrawal, but at the same time he made it evident that he did not see his way to abandon them, especially so long as the attitude of the Persian Government continued to be persistently and uncompromisingly hostile to Russia.

[34512]

No. 430.

Mr. O'Beirne to Sir Edward Grey.—(Received September 23.)

(No. 266.)

(Telegraphic.) P.

St. Petersburg, September 23, 1910.

LOAN on security of Persian Crown jewels.

Your telegram No. 588 of the 22nd September.

Russian Government's delay in giving an answer was due partly to the absence from St. Petersburg of the Minister of Finance. M. Kokovtsoff has now returned to the capital, and I hope soon to have a reply from M. Sazonow.

[34407]

No. 431.

Sir Edward Grey to Sir G. Barclay.

(No. 278.)

(Telegraphic.) P.

Foreign Office, September 23, 1910.

IMPERIAL Bank's loan to Persian Government (see St. Petersburg telegram No. 264 of the 22nd September).

Please give me your views. If Russian position is as stated, our lien on Caspian fisheries would also be in conflict with the bank's concession if fisheries are regarded as State property.

I cannot avoid causing unpleasant comment if I reply in this sense to the bank.

[34622]

No. 432.

Sir G. Barclay to Sir Edward Grey.—(Received September 24.)

(No. 378.)

(Telegraphic.) P.

Gulahek, September 24, 1910.

PERSIAN Transport Company's roads.

With reference to your telegram No. 276 of the 21st September.

With regard to first point of your above-mentioned telegram, I think that, setting aside the question of the alleged lack of funds, disorders have made the construction of a road in Luristan, without a strong escort, impossible. The Kum-Ispahan road, however, has at times been free from disturbances, and work might perhaps have been carried out on it.

By last bag I forwarded copy of a note from Persian Government disputing the reason put forward by company for its failure to construct the roads within the period specified.

With regard to the second point of your telegram, I am of opinion that the intervention of the legation would be inadvisable in view of the present attitude of the Medjliss, and likely rather to prejudice than to further the company's negotiations.

With regard to the third point, I would observe that the present manager is absent from Tehran, but Sir T. Gordon, in a letter which I received from him when I was in London, corrected his previous statement and informed me that negotiations for extension of concession had not yet been begun by the company.

With regard to the fourth point, at the present moment district is very unsafe, and I am doubtful whether the Persian Government, even if it guaranteed safety, could ensure it. Less than a year would suffice to carry out the work under safe conditions.

With regard to the fifth point, no *quid pro quo*, I regret to say, suggests itself to me.

In conclusion, I would point out that the chances of obtaining an extension of the concession would not be improved if the company press for an increase of tolls.

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No. 433.

Sir G. Barclay to Sir Edward Grey.—(Received September 24.)

(No. 379.)

(Telegraphic.) *En clair.**Tehran, September 24, 1910.*

NASR-UL-MULK was elected Regent yesterday.

[34505]

No. 434.

Sir Edward Grey to Mr. O'Beirne.

(No. 595.)

(Telegraphic.) P.

Foreign Office, September 24, 1910.

PROPOSED loan by Imperial Bank to Persia.

Please see Tehran telegram No. 377 of the 23rd September.

You should point out to Russian Government that bank's concession referred to is older than that of Russian Bank, and call their attention to article 6.

[31310]

No. 435.

Sir Edward Grey to Sir G. Barclay.

(No. 159.)

Sir,

Foreign Office, September 24, 1910.

I HAVE received Mr. Marling's despatch No. 146 of the 7th ultimo, relative to the agreement concluded between Muin-ut-Tujjar and Messrs. Andrew Weir and Co., in connection with the shipment of red oxide from the island of Hormuz, in making which Messrs. Ellinger and Co. acted as Muin's agents.

These documents, the originals of which have been communicated to this Office by Messrs. Ellinger, are three in number, the second and third being supplementary to the first, which is the main contract. The paper forwarded in Mr. Marling's despatch is a copy of the second supplementary agreement.

All three agreements bear, besides a Persian signature, those of Messrs. Ellinger and Andrew Weir. None of the agreements is on stamped paper, but the Persian signature is written in each case across a 6d. stamp.

The Persian signature, which is very indistinctly written, appears to read: "On the part of Muhammad Riza Muin-ut-Tujjar. It is valid. Emin-ut-Tujjar Muhammad."

It is of course impossible for me to say how far these agreements are valid from a Persian point of view, but in English law they are not invalidated by the fact that they are drawn on unstamped paper, though the neglect to affix the proper stamps might expose the party requiring to produce the documents in court to the payment of a penalty of 10*l.* in each case; nor, in my opinion, would the fact that the Persian signature was not legalised at one of His Majesty's consulates of itself invalidate the document signed.

Further, if the Persian signature was really written by Emin-ut-Tujjar on Muin's behalf, and if this fact is acknowledged by the latter, the signature is valid according to English law.

Mr. Martin Ellinger was consulted on this point in the course of a visit recently paid by him to this Office, and stated that Muin has repeatedly acknowledged the validity of the agreements in correspondence which can be produced, and that he has, moreover, received sums of money and shipped oxide under their terms. If this be the case, Muin is, in English law, estopped from denying the authenticity of the signature, and, even if not, there might be a question whether Messrs. Ellinger, being entitled to act as his agents, could not bind him by their signature in that capacity, and, further, whether they were not liable to Messrs. Weir for having warranted the agreements to be signed by Muin.

As regards Mr. Marling's contention that the second supplementary agreement releases Muin from any responsibility towards Messrs. Weir in the event of his being prevented by any action of the Persian Government from supplying the oxide in accordance with the terms of the main agreement, I have to observe that, in my opinion, the first article of this instrument only has this effect in the event of such action being unjustifiable, and does not invalidate a claim against him by Messrs. Weir and Ellinger in the event of proof being forthcoming that he had in fact no right to touch the oxide at all, and was guilty of fraud in making the contract.

I am, &c.

E. GREY.

[34628]

No. 436.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 380.)

(Telegraphic.) P.

Gulahek, September 25, 1910.

OIL company's proposed loan to Persian Government.

With reference to my telegram No. 343 of the 28th August, following are proposals now put forward by Persian Government:—

A loan of 500,000*l.*, at 92, at 6 per cent., secured as a second charge on southern customs and telegraphs and also on the Persian Government's shares in the oil and mining company.

With regard to question raised in your telegram No. 250 of 23rd August, which is hereby revived, I can only point out that after the service of our Government, and Imperial Bank of Persia's debts, and the quasi-fixed charges have been met (and His Majesty's Government have agreed with Russia that this latter should be made a permanent charge on the customs), the surplus of the southern customs, at the present level of customs receipts, must remain an illusory security pending the extinction of the bank's debt, or, at least, the reduction of that debt to the sum which the charter allows. It makes little practical difference therefore, as regards security immediately available for the eventual joint loan by the two Governments, whether or not the southern customs are affected as security to the oil company's loan.

In the event of the Persian Government making an application to us, and until the attitude of the Medjliss changes, I think such a development most unlikely, it will be rather to the mint profits than to the customs that we shall in any case have to turn.

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The private flotation which the Strathcona group contemplate will, I presume, make it possible to provide against the danger foreshadowed in your telegram No. 269 of the 15th September of any part of the loan falling into foreign hands.

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No. 437.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 381.)

(Telegraphic.) P.

Gulahek, September 25, 1910.

RUSSIAN Minister tells me following:—

Governor of Ardebil, who had collected a force of 1,000 men to disarm Shahsevans has been defeated by that tribe 5 miles from Ardebil. Part of his force joined the Shahsevans, and part were made prisoners. A few escaped with the governor to Ardebil, leaving all arms and ammunition in the hands of the rebels. Russian Minister says that had it not been for the Russian troops nothing could have opposed the Shahsevans, who would once more have looted the town, and Shahsevans are also looting properties of Russian subjects in Karajadagh and in other places in the north.

(Confidential.)

M. Poklewski has expressly requested me to telegraph above. He appeared to fear that we were too optimistic about the security of Northern Persia. I reminded him that I had never urged that Russian troops should be immediately withdrawn from district in question.

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No. 438.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 382.)

(Telegraphic.) R.

Tehran, September 25, 1910.

IMPERIAL Bank's proposed loan to Persia.

My telegram No. 377 of the 23rd September crossed Mr. O'Beirne's telegram No. 264 of the 22nd September received to-day.

I consider further observations from me unnecessary.

[34684]

No. 439.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 159.)

Sir,

Gulahek, August 29, 1910.

I HAVE now received Lieutenant-Colonel Cox's despatch No. 40 of the 16th June, enclosing copy of a despatch from His Majesty's acting consul at Mohammerah, in which the latter presents the rejoinder of the Sheikh of Mohammerah to the allegations of the Vali of Bussorah.

I venture to submit that these despatches, of which copies have already reached you from Bushire, furnish a complete vindication of the sheikh, at least, as regards the incidents connected with the bombardment of Zain by the Vali of Bussorah, and show that the sheikh acted throughout with moderation, and was, moreover, entirely amenable to the advice of the British representatives. In these circumstances, I see no reason why the bestowal of the decoration which it has been decided to confer upon him, and the assurances which it was the intention of His Majesty's Government to give him, but which were held in suspense pending the receipt of full information respecting the recent incident, should be any longer withheld.

Colonel Cox makes out a strong case against Nazif Bey, the Vali of Bussorah, who is clearly hostile to our interests in the Gulf, and I share Colonel Cox's difficulty in understanding Mr. Consul Crow's view (see Sir G. Lowther's telegram No. 94) that Nazif Bey's presence as vali makes for the security of the river. Had it not been for the sheikh's correct and patient attitude, Nazif Bey's violent action might well have been followed by a serious Arab rising. Were it certain that in his forward policy Nazif Bey was acting on his own initiative, it might be desirable to insist at Constantinople on his removal, but it seems more than possible that his attitude is

dictated from Constantinople, in which case a demand for his removal would be a much more serious matter, and His Majesty's Government may think it better to treat the recent incident as closed, rather than run the risk of precipitating the opening up of graver questions than that of the dismissal of an objectionable vali.

Mr. Consul Crow must have been labouring under a misapprehension as to the attitude of His Majesty's Government towards the Sheikh of Mohammerah when he announced his intention to Lieutenant Wilson of pressing for means to be supplied to the vali to bring about a day of reckoning with the sheikh, and I submit that he might with advantage be furnished confidentially with a copy of the assurances which it is now proposed to give to the sheikh.

I venture to hope that the action of His Majesty's acting consul at Mohammerah, as reported in the memorandum enclosed in his despatch to Colonel Cox of the 4th June, will be found to merit an expression of your entire approval.

I have, &c.

G. BARCLAY.

[34686]

No. 440.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 161.)

Sir,

Gulahek, August 30, 1910.

I HAVE the honour to transmit herewith copy of an interesting despatch from His Majesty's consul at Ahwaz, in which Mr. Ranking reviews in a lucid manner the causes of the present situation existing between the Kashgais and the Bakhtiariis.

With regard to the final paragraph of Mr. Ranking's despatch, in the absence of any confirmatory evidence I do not attach any importance to the idea, which appears to be prevalent among the inhabitants of Ispahan, that Soulet-ed-Dowleh is indirectly receiving encouragement from the Russians.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 440.

Consul Ranking to Mr. Marling.

(No. 108/18.)

Sir,

Ahwaz, August 18, 1910.

I HAVE the honour to forward herewith copy of this office despatch, dated the 18th August, 1910, to the address of the political resident in the Persian Gulf, Bushire.

I have, &c.

J. RANKING, Lieutenant, I.A.

Enclosure 2 in No. 440.

Consul Ranking to Consul-General Cox.

(No. 107/25.)

Sir,

Ahwaz, August 18, 1910.

IN view of the present situation existing between the Kashgais and the Bakhtiariis, it may be of interest to review the causes, which have apparently given rise to it, together with its various phases up to date.

First of all, the internal relations of the Bakhtiariis themselves have been one of the predisposing causes of the present situation.

In the winter of 1908, when the Haji Ilkhani and the Ilkhani families were at loggerheads, and it appeared possible that they might come to blows, the then weaker branch, the Haji Ilkhani family, allied themselves to the Soulet-ed-Dowleh (Kashgai), the Sardar Muhtesham giving one of his daughters in marriage to the Soulet's son, and the Soulet giving one of his daughters to Ali Reza Khan, son of Sardar Muhtesham.

These two, namely the Soulet and the Sardar Muhtesham, in the spring of 1909 exchanged sealed Korans, stating in general terms their friendship and promises of assistance.

After which the Soulet gave out openly that he was at one with the Haji Ilkhani family.

Later, in the summer of the same year, after the capture of Tehran, the appointment of the Sardar Assad (Bakhtiari) to the post of Minister of the Interior, together with the general predominance of the Bakhtiaris, appears to have roused the Soulet's jealousy, the outcome of which was no doubt the anti-Bakhtiari agreement proposed in February 1910 between the Vali of Pushti Kuh, the Sheikh of Mohammerah, and the Soulet-ed-Dowleh, and the ultimate form which this agreement took, which has been elsewhere reported.

Another cause is the presence with the Soulet of Gharib Khan, who, on getting into hot-water with the Bakhtiaris, fled to the Soulet, who took up his cause, which he has championed latterly most warmly, almost to the extent of making it a *casus belli* with the Bakhtiaris, demanding that whatever has been taken from him should be returned.

Hussein Kulli Khan-i-Falardi (mentioned below) is a Bakhtiari subject, who, about six months ago, fell out with his superior chief and fled to the Soulet.

On his wishing to return after the mission on which he had been sent he was made prisoner by the Sardar-i-Zaffer and kept in Chighakhor, which the Soulet considers an affront to himself. The last and latest of the causes is the looting of the Larraki—a sub-tribe of Turks living in Bakhtiari territory—about the beginning of July by the Soulet's men, and a counter-raid by the Larraki in reprisal.

Now with regard to the various phases of the situation.

Early in July the Sardar Zaffer arrived in Bakhtiariland, it is said armed with the permission of his superiors to attack the Soulet, and a general mobilisation was ordered forthwith, resulting in the collection at Chighakhor of a force of about 1,000 sowars and 300 infantry of the Jellali regiment; while, on the other hand, the Soulet is reported to have mobilised a force of some 3,000 horse and foot.

About the end of July rumours were most persistent that a collision had occurred between the opposing forces, but apparently nothing more serious occurred than the exchange of shots by some Bakhtiaris going to Chighakhor with some Kashgais, who had entrenched themselves at Imam Kais, near the Bakhtiari-Kashgai frontier.

At the same time that these hostile demonstrations were going on, pourparlers were being exchanged by the two parties.

In July a party of four mollahs and akhunds, numbering among them Nazim-ul-Islam (Agha Nejefti's right-hand man) and Mirza Mehdi Daulatabadi, went from Ispahan to try and arrange some terms with the Soulet, who also sent in an envoy (by name Mirza Mehdi Khan, Muavin-ul-Mamalek) to talk matters over. Another mission, under Hussein Kulli Khan-i-Falardi, was also sent by the Soulet to the Bakhtiari chiefs at Chighakhor. This mission was met, and conciliatory messages were exchanged between the two sides, who, however, during the pourparlers, did not abate in the slightest their strenuous efforts to mobilise their forces.

Further, early in August, A. Lutfi and A. Iskandar, Ahmed Khusroi chiefs, who had been sent to the Soulet by the Bakhtiari chiefs at Chighakhor, returned, and it was then reported on credible authority that they had arranged terms which were similar to those arranged by the Sardar Ashjan and the Muavin-ul-Mamalek, viz., the Bakhtiaris to have a free hand in Ispahan and district and the Soulet ditto in Fars, and, on proof of theft by Kashgais, stolen property to be returned or compensated for.

The Soulet's force occupying Imam Kais is said to number not more than 300 men, while the Bakhtiari force in the vicinity and at Godar-i-Kabk numbers 500 men, under the command of Murteza Kulli Khan, Sultan Ali Khan, and Mehdi Kulli Khan.

The latest news with regard to the situation is that the Bakhtiaris have been joined by the Zaigham-ed-Dowleh, brother of the Soulet, with a small force of sowars, while the Soulet is said to have enlisted in his cause a number of Boir Ahmad Kuhgilus, under Mollah Kobad.

Numerous telegrams have been received from Tehran by the Bakhtiari Khans during the past fortnight forbidding any collision with the Kashgais.

On the 14th instant a telegram was received in Ispahan from the Sardar-i-Zaffer, for despatch to Tehran, saying that the Soulet had occupied Imam Kais in person, with a large force (reported to number 6,000 men, but more probably one-third of that number) and that the Bakhtiari forces, under the Amir-i-Mujahid and himself, had occupied Ganduman.

He further went on to say that the Soulet was only acting thus with the tacit approval of the Haji Ilkhani family, and asked for orders as to how he was to proceed.

It will be noticed that Lutf Ali Khan, Amir-i-Mufakham, has not joined the Bakhtiari force.

Last night (17th) an answer was received from Tehran forbidding a collision with the Kashgai forces, which telegram was sent out by galloper this morning to Ganduman, while on the afternoon of the 17th the following persons were sent to the Bakhtiari and Soulet's camps to try and arrange terms:—

To Bakhtiari.—Sheikh Habibullah, Muin-us-Shariyeh and Sadr-ul-Ulema.

To Soulet.—Seyyid Siraj-ud-Din and Seyyid Nasir.

Generally speaking it would appear that the members of the Haji Ilkhani family and the Sardar Assad are unwilling to fight, but it is unfortunate that the Sardar-i-Zaffer is present in Bakhtiariland at the present juncture, as his presence is not conducive either to the pacific settlement of the question with the Kashgais, or the furtherance of internal peace between the members of the two families, the Haji Ilkhani and the Ilkhani.

In conclusion, I would beg to inform you of an idea which appears prevalent here among Persians, which is that the Soulet was instigated to take up his present attitude by the Sipahdar to be a counterpoise to the Bakhtiari power, and that the Sipahdar, in his turn, receives his *mot d'ordre* from the Russians.

I have, &c.

J. RANKING, Lieutenant, I.A.

[34688]

No. 441.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 163. Confidential.)

Sir,

Gulahek, August 31, 1910.

WITH reference to my telegram No. 178 of the 19th April last, I have the honour to transmit herewith copy of a despatch from His Majesty's consul at Ahwaz forwarding copy and translation of an undated agreement entered into by Soulet-ed-Dowleh, the Sheikh of Mohammerah, and the Vali of Pusht-i-Kuh.

I am, &c.

G. BARCLAY.

Enclosure 1 in No. 441.

Consul Ranking to Mr. Marling.

(No. 16.)

Sir,

Ahwaz, August 17, 1910.

I HAVE the honour to forward herewith a copy in Persian of the agreement, entered into by the Soulet-ed-Dowleh, the Sheikh of Mohammerah, and the Vali of Pusht-i-Kuh, together with a rough translation of the same.

It will be noticed that the agreement is undated and unplaced, but it appears to me probable that it was drawn up in Mohammerah in the month of February or the beginning of March, when emissaries from both the Soulet-ed-Dowleh and the Vali of Pusht-i-Kuh were in Mohammerah; the emissary from the former being the Soulet's Munshi-Bashi and that of the latter being Kaid Hiyat Kulli Khan, as reported to the political resident, Bushire, in my despatch of the 27th February, 1910.

I have, &c.

J. RANKING, Lieutenant, I.A.

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Enclosure 2 in No. 441.

Agreement between Soulet-ed-Dowleh, Sardar-i-Ashayir; Muiz-es-Saltana, Sardar Arfa; and Gholam Reza Khan, Sardar Ashraf.

(Rough translation.)

Clause 1.—As the protection of their country is the duty of all Persians, we patriots, considering it our duty, have entered into an agreement to protect the integrity of Persia, faultlessly and to the full extent of our ability and the power which the Almighty has given us.

Clause 2.—We will essay that the constitution be perfected and made permanent, and we will faithfully do our best until such a time as a proper constitution is permanently established in Persia.

Clause 3.—As peace and quiet is the country's greatest need, we patriots have therefore agreed, each in his own district, to ensure peace and quiet, so that the safety of trade, both foreign and internal, and good relations with foreign powers may be assured, so that both foreign and Persian subjects may live at ease, and so that the officers of State may be able with easy minds to use their best endeavours for the establishment of the constitution and the protection of the integrity of Persia.

Clause 4.—As this agreement has for its object the integrity of the State and the establishment of all that may be necessary for constitutional Government, therefore those of the nobility and chiefs of Persia, who hold the same opinion and with all sincerity wish to become partners to this agreement, will be received by us with all honour and respect into this society of associates.

Clause 5.—The partners to this agreement are agreed as far as it is possible faithfully to protect each other's honour, position, and interests.

Clause 6.—The associates to this agreement hereby proclaim that they consider and have constituted themselves the protectors and stewards of the Medjliss, so that from now onwards the members of the said Medjliss may know that they have powerful supporters, so that fearlessly and untroubled they may give expression to their opinions for the good of the country and constitution, and may not fail in the execution of their duties, moreover, that should they know anybody to be an intriguer or biassed they may fearlessly let us know, and on proof of the truth of the assertion we will remove them, and we patriots consider it our bounden duty to uphold the Medjliss.

SOULET-ED-DOWLEH, *Sardar-i-Ashayir.*
MUIZ-ES-SALTANA, *Sardar Arfa (Sheikh of Mohammerah).*
GHOLAM REZA KHAN, *Sardar Ashraf (Vali of Pusht-i-Kuh).*

[34690]

No. 442.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 165. Very Confidential.)

Sir,

Gulahck, September 3, 1910.

I HAVE the honour to state that, upon receipt of your despatch No. 120 of the 20th July last, I did not fail to request His Majesty's consul-general at Bushire to report as to the origin of a rumour that the action of the Bakhtiari guards in the Anglo-Persian Oil Company's camp had caused the company to shut down operations.

I am now informed by Colonel Cox that the report in question did refer to the occurrences alluded to by the Anglo-Persian Oil Company in their letter to you of the 1st July last (see enclosure No. 1 in your despatch No. 107 of the 4th July), and that, although peremptory orders telegraphed by Sardar Assad, on Mr. Marling's representations, had a salutary effect, yet there was good reason to believe that at the time the position at the camp was more serious and significant than would appear from the above-mentioned letter from the company.

Colonel Cox adds that the present attitude of the company seems to be connected with local dissensions among their European employes, and it would only revive and encourage these difficulties on the spot if he were to pursue the matter officially now.

I therefore concur in Colonel Cox's suggestion, and venture to hope that the question may be allowed to drop so far as the company is concerned, and that no communication need be addressed to them, at all events for the present.

Colonel Cox is sending a report by post, when I shall have the honour to address you again on the subject.

I have, &c.
G. BARCLAY.

[34691]

No. 443.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 166.)

Sir,

Gulahck, September 3, 1910.

I HAVE the honour to transmit herein, with reference to Mr. Marling's telegram No. 286 of the 13th July, copy of a despatch from His Majesty's acting consul at Mohammerah, enclosing copies of correspondence with the Persian Foreign Office agent on the subject of the Anglo-Persian Oil Company's barges on the Upper Karun.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 443.

Acting Consul Wilson to Mr. Marling.

(No. 739/60.)

Sir,

Mohammerah, July 16, 1910.

WITH reference to my telegram No. 45 and to your telegram No. 47 on the subject of the oil company's barges, I have the honour to enclose copies of correspondence on the subject which I have had with the local authorities.

2. The arrangement which I made with the sheikh was that he should formally communicate the objections of the Karguzar to his son, the deputy governor at Nasiri, but should at the same time send him private orders not to resist the oil company's agents by force should they insist on disobeying his orders and proceed to take the barges above the rapids. This arrangement was carried out satisfactorily, the sheikh, in addition, replying to the Karguzar's prohibition by saying that if it was desired that he should use force against the company he must have a statement to that effect from the Karguzar, who would be responsible. This the Karguzar refused to give.

3. It is too soon yet to say how far the oil company's action will be resented locally, but I anticipate no such feeling.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.*

Enclosure 2 in No. 443.

Acting Consul Wilson to the Karguzar of Arabistan.

(Translation.)

(After compliments.)

Mohammerah, July 9, 1910.

I HAVE the honour to inform you that three barges of 30 tons each have arrived for the oil company for the purpose of their concession.

Since the Muin has found himself unable to lease to the company his barges on the upper river, which, in any case, do not suffice for the company's work and are spoiled by the weight of the iron, and since there are no other barges available, the company has no option but to take the above barges above the rapids for use in connection with their oil launch.

I cannot suppose that, since the oil launch is useless without barges, the Imperial Persian Government will raise any objection in this matter, but I shall apply for their sanction through the legation.

In the meanwhile, however, since the work of the company is urgent and brooks of no delay, no barges at all being available, we are obliged to take the barges across the rapids at once, and would beg you to notify the Persian local authorities accordingly, let it not be that any opposition be raised at Nasiri.

The barges will leave Mohammerah the day after to-morrow.

I have, &c.

A. T. WILSON.

Enclosure 3 in No. 443.

The Karguzar of Mohammerah to Acting Consul Wilson.

(Translation.)

Mohammerah, July 11, 1910.

YOUR letter of the 9th July regarding barges received, and its contents duly noted.

In accordance with your request, I have notified the local Government, who have replied that the Karguzar must say definitely what the company's rights are in this matter. It is plain that I cannot do this without permission. I have applied for this to the Central Government. You have no doubt referred this to your legation, and a decision will be communicated before long.

HUSSEIN.

Enclosure 4 in No. 443.

Acting Consul Wilson to the Karguzar of Mohammerah.

(Translation.)

(After compliments.)

Mohammerah, July 11, 1910.

IN reply to your letter of to-day regarding the barges which the oil company wish to take above the rapids, I have the honour to inform you that the said barges left for Nasiri to-day after midday. I have mentioned the matter by wire to the legation, and they will no doubt discuss the matter with the Persian Foreign Office.

But you are aware, no doubt, that the negotiations will take some time, and the company's work is urgent, and if they are delayed great loss will accrue to them. Therefore, I have told the company to take the barges above the rapids at once; if in the end permission is not obtained by the legation from the Foreign Office, I undertake to take the barges below the rapids again.

I would ask you to be so good as to inform the local Government of this. Let not anyone stop them in Nasiri. But if, God forbid, they are prevented from taking the barges above the rapids, the Imperial Persian Government will be responsible for all damage and loss caused thereby to the oil company, and you are no doubt aware that the said losses would amount to a very large sum.

(Usual complimentary ending.)

A. T. WILSON.

Enclosure 5 in No. 443.

The Karguzar of Mohammerah to Acting Consul Wilson.

(After compliments.)

Mohammerah, July 12, 1910 (Rajab 5, 1328).

YOUR reply to my letter of yesterday arrived last night, and I sent it in original to the local authorities, and though they have replied as before, I must of course repeat that the taking of the barges above the rapids, which is reserved for Persian vessels, depends on the order of the Central Government, and this is known to you and to me, and the Karguzar and the local Government cannot go beyond this. In this case, it would have been better if the company had obtained leave before importing the barges, and had not sent them from Mohammerah until leave was given, to avoid trouble. In any case, I have sent a second telegram to Tehran, and it is plain that a reply will shortly be received, but as the barges will reach Nasiri to-day, it is well that you should telegraph to them not to take them to the Upper Karun pending the receipt of a reply.

(Usual complimentary ending.)

HUSSEIN.

Enclosure 6 in No. 443.

Persian Foreign Office to the Karguzar of Mohammerah.

(Translation.)

July 12, 1910.

REGARDING the barges the company wish to bring, as the Muin has leased his barges to the company through the agency of the Muin-ut-Tujjar, tell the consul at once that to put the barges on the river is improper.

Enclosure 7 in No. 443.

The Karguzar of Mohammerah to Acting Consul Wilson.

(Translation.)

Mohammerah, July 13, 1910 (Rajab 6, 1328).

I HAVE the honour to enclose in original (*vide supra*) a telegram from the Foreign Office in regard to the barges which the company wish to bring. Please note its contents and return it. It is plain that, in accordance with my previous request, you should telegraph to Nasiri for them not to put the barges across the rapids.

HUSSEIN.

Enclosure 8 in No. 443.

Acting Consul Wilson to the Karguzar of Mohammerah.

(Translation.)

Mohammerah, July 13, 1910.

IN reply to your letter of the 6th Rajab (13th July), I have the honour to state that the Persian Foreign Office is in error. The Muin-ut-Tujjar has not leased any barges to the company, and has refused, demanding an exorbitant sum, and would not agree to more than fifteen days. It is plain that the company cannot lease any barges but their own, and, in consequence, are compelled to take their barges across the rapids at once. It is obvious that if the Muin's barges were to be hired by the oil company none would remain for the merchandise of Shuster, and this would be very bad for British and Persian merchants.

A. T. WILSON.

Enclosure 9 in No. 443.

The Karguzar of Mohammerah to Acting Consul Wilson.

(Translation.)

Mohammerah, July 13, 1910 (Rajab 6, 1328).

IN reply to your letter of to-day, I must briefly say that the Karguzar must accept and obey the orders of the Central Government, and accept them as correct. It is unnecessary for me to enter into a detailed discussion, but if fresh orders are received they will at once be given effect to.

HUSSEIN.

Enclosure 10 in No. 443.

Acting Consul Wilson to Mr. Marling.

(No. 50.)

(Telegraphic.)

Mohammerah, July 15, 1910.

YOUR telegram No. 47.

My telegram No. 45.

Two barges placed on Upper Karun to-day. Third will be placed later, when convenient.

[34692]

No. 444.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 167.)

Sir,

Gulahak, September 5, 1910.

IN his despatch No. 154, Very Confidential, of the 11th ultimo, Mr. Marling had occasion, when reporting on the German Minister's attempt at mediation between the Government and the Fedais, to mention the part played by a secretary of the Turkish Embassy in the abortive negotiations.

I now have the honour to report that I learn on unquestionable authority that the Turkish Minister for Foreign Affairs has severely reprimanded the secretary in question, by name Vassyk Bey, as well as the Turkish vice-consul who accompanied him, and that, in addition, he has retarded their promotion from their present ranks for a period of five years as a punishment.

In view of the influential connections that Vassyk Bey is reported to have in Constantinople, the severity of his punishment is the more noticeable.

I have, &c.

G. BARCLAY.

[34693]

No. 445.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 168. Very Confidential.)

Sir,

Gulahak, September 5, 1910.

SINCE my return from leave on the 18th ultimo there has been nothing calling for special record in the political situation at Tehran, where the new Cabinet appears for the moment to be working harmoniously. The Medjliss is busy discussing the engagement of foreign assistants, but its deliberations are secret, and I have not been able to obtain any authoritative information. As reported in my telegram No. 339 of the 25th August, my Russian colleague and I delivered on the 24th August to the Minister for Foreign Affairs the friendly and unofficial advice of the two Powers to apply for the loan of foreign assistants to the minor States rather than to the great Powers, and a day or two later, on receipt of your telegram No. 258 of the 27th August, I supplemented this advice with a further recommendation to ask for French-Swiss in the event of its being decided to engage Swiss citizens.

I regret to have to report that the Persian Government seems as far as ever from bringing the Medjliss to show those marks of good will to Russia which are demanded by the Russian Minister as a condition for the withdrawal of the Russian troops. As you are aware, the conditions for the withdrawal of the Kazvin force are:—

1. The prolongation of a copper mining concession in Azerbaijan, which it is contended the disorders in the district have made it impossible to work during the period for which the concession was originally granted; and
2. The free entry of a number of automobiles for running on the Russian roads.

I have lost no opportunity of pressing upon the Minister for Foreign Affairs the expediency of exerting himself with the Medjliss in favour of these demands, but I cannot see that I have made any impression. It is the demand for the free entry of automobiles which is the real stumbling-block, the Minister for Foreign Affairs contending that it will throw all the traffic on the northern roads into Russian hands, a contention to which most unfortunately some colour has recently been given by the ill-advised action of the managers of the Julfa-Tabreez road. On this road a number of automobiles are now running, having been allowed through the customs, the question of payment of duties being left in suspense. Since their introduction, the managers have put in force a number of vexatious regulations for traffic other than that of automobiles, with the evident object of killing competition. I have pointed out to M. Poklewski how very ill-advised such action is at this moment, and I believe he is doing his best to induce the management to repair its blunder, but the harm has been done; complaints have appeared in the press, and the feeling aroused will make it doubly difficult for the Minister for Foreign Affairs to obtain the Medjliss's consent to the Russian Minister's demands.

In the provinces interest has centred in the movements of Soulet-ed-Dowleh, chief of the Kashgai, who has for several weeks been in negotiations with certain of the

Bakhtiari Khans and the local assembly at Ispahan with the object apparently of making sure of the retention of the Ilkhaniship. His attitude towards the Central Government has recently given cause for anxiety. As reported in my telegram No. 345 of the 31st August, he sent some days ago a threatening message to the Persian Government, in which he announced that he was about to march on Tehran, having received orders from the Ulema of Nejef to avenge the death of Seyyid Abdullah. The threat was thought sufficiently serious to warrant Sardar Assad's ordering 2,000 Bakhtiaris up from Chaharmahal to Ispahan. The situation was complicated by dissensions amongst the Bakhtiaris, and it was reported that Amir Mufakham, who, it will be remembered, commanded the royalist section of the Bakhtiaris at the time of the revolution in July 1909, had declared himself for Soulet-ed-Dowleh. The origin of these dissensions has been described to Mr. Churchill in great confidence by Sardar Muhtesham, Amir Mufakham's brother, and Sardar Assad's first cousin, who, though Ilbeggi of the Bakhtiari, has been staying in Tehran since the revolution. Sardar Muhtesham informed Mr. Churchill that Sardar Assad had ordered his brother, Sardar Zaffer, who was in Ispahan on his way to his post as Governor of Kerman, to collect a Bakhtiari force and attack Soulet-ed-Dowleh. Sardar Zaffer applied to Amir Mufakham for assistance, but the latter, while expressing his readiness to proceed against the Kashgai if ordered by the Persian Government, refused to act merely on orders from Sardar Assad. Sardar Zaffer, who is a man of hot temper and totally lacking in tact, retorted with threats to exterminate Amir Mufakham and his branch of the family, and went so far as to telegraph to Sardar Assad in Tehran, bidding him arrest Sardar Muhtesham. The breach at one time, owing to the intemperate folly of Sardar Zaffer, threatened to assume very formidable proportions involving hostilities between the two branches of the tribe, but fortunately the strenuous and united exertions from Tehran of Sardar Assad and Samsam-es-Sultaneh of the one branch and of Sardar Muhtesham of the other in favour of peace have apparently borne fruit, for latest advices point to some kind of reconciliation. These dissensions have prevented any operations against the Kashgai, but Soulet-ed-Dowleh, whose negotiations with Ispahan seem to have proved abortive, and who, it was one time feared, was meditating a *coup de main* on Ispahan, is reported to have retired to Abadah.

In Fars there is no improvement to record. The Firuzabad route is open between Bushire and Shiraz, but the postal road between these two places and between Shiraz and Ispahan is closed. Ain-ed-Dowleh has been appointed Governor-General, but has not yet started from Tehran. I have intimated to the Minister for Foreign Affairs privately that I am empowered to make stronger representations than any I have yet made about the state of the southern roads, but that I am deferring doing so for a while as I do not wish to embarrass the new Government more than I can help, but that it would be well to make the most of the respite by losing no time in sending a really strong governor to Shiraz.

I have, &c.

G. BARCLAY.

[34694]

No. 446.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 169.)

Sir,

Gulahak, September 6, 1910.

WITH reference to my telegram No. 352 of yesterday, I have the honour to transmit a translation of the Persian Government's answer to the joint note from the two legations of the 7th (20th) May, which explained our attitude as regards concessions in Persia which might affect adversely our political or strategic interests.

The Persian note, while it assures us generally that the Persian Government will not take steps which would be contrary to "courtesy, friendship, and good relations," and states that it has no thought at present of granting to foreigners concessions of the kind indicated in our joint note, proceeds to undo the good effect of these assurances by reserving in veiled but hardly mistakable language the Persian Government's freedom to act as they like in the matter. If we had allowed it to stand, we could scarcely have left it unanswered, and our reply might well have provoked further interference from Germany. My Russian colleague and I therefore thought it right to return it to the Minister for Foreign Affairs, who, as you are aware, had been advised

repeatedly by the two legations to leave our joint note unanswered, and had, moreover, promised Mr. Marling not to send a reply without further discussion with the two representatives.

We returned the two notes—identical communications addressed to each legation—yesterday afternoon. The two dragomans, who handed them to Hussein Kuli Khan with a covering note, of which I enclose a copy, stating at the same time verbally that our joint note of the 7th (20th) May required no answer, as it merely conveyed a warning as to the consequence of Persia's failure to comply with the legitimate desire therein expressed by the two neighbouring Powers which had always been animated by feelings of good-will towards Persia.

The Minister for Foreign Affairs, who seemed greatly surprised at the return of the notes, declared that he considered the wording absolutely satisfactory, and laid great stress on the paragraph relating to the Persian Government's resolve to take no step contrary to the friendship and good relations existing between us, and to the Persian Government's having no thought for the present of granting concessions of the nature in question to any foreigners.

The dragomans drew his attention to the words "for the present," as well as to the portions dwelling on the obligation of the Persian Government to protect its independence and rights of freedom which, in the circumstances, seemed to detract from the otherwise satisfactory nature of the note. The Minister for Foreign Affairs argued the matter at great length, but the dragomans, after having reminded him that the two representatives had repeatedly urged him not to send any reply at all to the joint note of the 7th (20th) May, left the notes with him and retired.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 446.

Hussein Kuli Khan to Sir G. Barclay.

(Translation.)

Your Excellency,

September 3, 1910 (28 Shaaban, 1328).

IN reply to the note dated 10 Jemadi-ul-Avval, 1328, equivalent to the 7th (20th) May, 1910, signed by Mr. Marling, British chargé d'affaires, and his Excellency the Russian Minister, and containing the explanations as to the final paragraph of the note of 26 Rebbi-ul-Avval, 1328 (7th April, 1910), I have the honour to say that my Government has always upheld and maintained the friendly relations and cordial friendship which fortunately have been historical between this Government and the Government of Great Britain—relations which we value and respect to the utmost. And it is obvious that we will not agree on any account to the taking of steps which would be contrary to courtesy, friendship, and good relations between us.

Although the Persian Government has at present no thought of granting to foreigners the kind of concessions mentioned in the note referred to above, and even prefers to retain them for itself, I must draw your Excellency's attention to the following point:—

The Persian Government is obliged to protect its independence and the undoubted rights of freedom possessed by this country. In view of the declarations always so justly made by His Majesty's Government regarding non-interference in Persian affairs, and the observance of this country's independence, the utmost confidence is felt that this view will always be loyally confirmed and upheld, and that no representation will be made which is in contradiction with it.

I avail, &c.
HUSSEIN KULI.

Enclosure 2 in No. 446.

Joint Note communicated to Hussein Kuli Khan.

M. le Ministre,

Le 4 septembre, 1910.

NOUS soussignés, Ministres de Grande-Bretagne et de Russie, avons l'honneur, selon les instructions de nos deux Gouvernements, de renvoyer sous ce pli à votre Excellence les notes identiques que vous nous avez adressées le 28 Shaaban, 1328.

Nous saisissons, &c.

G. BARCLAY.
S. POKLEWSKI-KOZIELL.

[34696]

No. 447.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 171.)

Sir,

Gulahak, September 6, 1910.

WITH reference to my despatch No. 166 of the 3rd September, I have the honour to transmit copy of a despatch from His Majesty's acting consul at Mohammerah enclosing correspondence between the Anglo-Persian Oil Company's agents and His Majesty's consulate, regarding a claim which the agents request that I should present to the Persian Government for loss due to the delay to the company's operations which they allege has resulted through the Persian Government's refusal to consent to the placing of the company's barges on the Upper Karun. It will be noticed that whereas Messrs. Lloyd, Scott and Company estimate the loss suffered by the company at 500*l.* per diem, Lieutenant Wilson states in his reply that the company's operations have suffered no delay.

In these circumstances, I have instructed Lieutenant Wilson to inform Messrs. Lloyd, Scott and Company that I, as at present advised, cannot see my way to present the claim to the Persian Government.

I have, &c.
G. BARCLAY.

Enclosure 1 No. 447.

Acting Consul Wilson to Mr. Marling.

Sir,

Mohammerah, July 21, 1910.

I HAVE the honour to forward for your information, dated the 18th July, copy of a letter which I have received from Messrs. Lloyd, Scott, managing agents of the Anglo-Persian Oil Company (Limited), on the subject of the placing of barges by them on the Upper Karun, together with my reply thereto.

2. In this connection I would invite reference to my No. 739/60 of the 16th instant on this subject.

Unless something unforeseen occurs, or the Persian Government take very strong and determined action, it seems improbable that any further hindrance will be placed in the company's way in the matter. I satisfied myself on the occasion of my visit to Nasiri (18th to 20th July) that local opinion is entirely indifferent on the question, and no opposition is likely to be aroused here.

I have, &c.
A. T. WILSON, *Lieutenant,*
His Britannic Majesty's Acting Consul.

Enclosure 2 in No. 447.

Messrs. Lloyd, Scott and Company (Limited) to Acting Consul Wilson.

Sir,

Arabistan, Mohammerah, July 18, 1910.

WE have the honour, in amplification of our letter to you of the 17th June, to request you to place the following arguments before His Britannic Majesty's Minister at Tehran, as reasons why this company should receive permission from the Persian Government to place and use its own barges on the Upper Karun.

Since the 15th June, that is, since the Muin-ut-Tujjar's barges had to be given up, and for over a month, this company's transport work on the Upper Karun has been practically at a standstill for want of barges, and this delay to the company's programme of work is a most serious one to the company.

Plant and machinery, which is very urgently required at the oil fields and at stations on the Upper Karun above Ahwaz, has been lying deteriorating at stations from Brai to Ahwaz, owing to lack of any means to get it pushed forward to destination. In particular, a most important scheme for condensing water for use of the company's fields staff and for fields work, which scheme we had hoped would be finished by August, is now hopelessly thrown back, and our European staff will again have to

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suffer through the worst of the hot weather months for lack of an adequate and uncontaminated water supply. The company's pipe line scheme, upon which the company's development to a revenue producing stage entirely depends, has been disorganised, and a numerous European staff on pipe line work has been thrown into a state of idleness, whilst the company is losing heavily through having to pay salaries and wages for which no recompensing work is being done. Many other important schemes, all of which were dependent on full and free transport facilities on the Upper Karun, are delayed, and cannot be brought to completion, at very great loss to the company.

Under article 14 of this company's concession "the Imperial Persian Government binds itself to take all necessary measures to secure the carrying out of the objects of this concession." By refusing the company permission to place its barges on the Upper Karun, the Persian Government fails to take one of the most vital and essentially necessary measures for the carrying out of this company's object, for to refuse the company adequate means to transport its staff, plant, machinery, tools, stores, and appliances to the destination where they are required, is tantamount to obstructing, to the point of complete demoralisation, the company's business and, as such, is a breach of the terms of the concession.

The permit to place the company's launch on the Upper Karun, given by the Persian Government to the company, is worth the paper it is written on and no more, when such permit is accompanied by a refusal to give the company's launch any barges to tow. It is obvious that the launch cannot convey the company's material without barges, and as the company has no use for the launch without barges it is meantime lying idle at Ahwaz, and the company is losing every day, not only the cost of the wages of its crew and the cost of its maintenance, but the interest on the money paid to purchase the launch also.

The company cannot see its way to suffer without protest the money losses being incurred as above shown and in various other ways too numerous to mention. We will be glad, therefore, if you will advise His Britannic Majesty's Minister at Tehran that the company will claim damages from the Persian Government at the rate of 500L. per day for its loss on:—

1. Cost of crew, cost of maintenance and loss of interest on cost of launch.
2. Cost of crew, cost of maintenance and loss of interest on cost of barges.
3. Cost of salaries and wages of unemployed staff at fields and on pipe line.
4. The company's profit on running its refinery, as the Persian Government's refusal to allow the company's barges on the Upper Karun is delaying the date at which the company will arrive at this profit-making stage.

We will thank you to place our above writing before His Britannic Majesty's Minister at Tehran, with the request that he will in turn place it before the Persian Government.

Thanking you in anticipation, &c.

Enclosure 3 in No. 447.

Acting Consul Wilson to Messrs. Lloyd, Scott and Co.

Gentlemen,

Mohammerah, July 21, 1910.

IN reply to your letter of the 18th instant in regard to the placing by the Anglo-Persian Oil Company of three barges on the Upper Karun, I beg to refer you to my No. 752 of the 20th instant to your address informing you that two of the barges had been taken over the rapids and are now in use and that the third may be similarly dealt with when so desired by you.

2. No delay to the company's operations has so far resulted from the refusal of the Persian Government to grant permission for the barges, but I am nevertheless forwarding a copy of your letter under reply to His Majesty's Minister for his information.

I have, &c.

A. T. WILSON.

[34697]

No. 448.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 172.)

Sir,

Gulahak, September 8, 1910.

ON receipt of your despatch No. 117 of the 4th August, 1909, I addressed a note to the Persian Government informing it that the grave political troubles and the generally unsettled state of Persia during the past years had so impeded the Persian Transport Company that the company would be unable, so far as could be seen, to carry out the works necessary for the completion within the given time of the Kum-Sultanabad road, the Barujird-Ispahan road, and the road from Kum to Ispahan.

I have now received a note from the Persian Government (translation enclosed) replying that in the opinion of the Ministry of Public Works recent events in Persia have been no obstacle to the construction of the roads.

I would propose, in answer to this note, to adhere to the views expressed in my previous note, emphasising especially the chronic disorders in Luristan, which have closed that province to all enterprise. I would also, should you approve, inquire of the Persian Government if it is prepared to guarantee the safety—providing sufficient escort to secure it—of those employed to construct the roads mentioned in the company's concession, but, before doing this, it will be well to know whether the Transport Company are in a position to commence work forthwith in the event of the Persian Government's returning a favourable reply to the proposed inquiry.

I have, &c.

G. BARCLAY.

Enclosure in No. 448.

Hussein Kuli Khan to Sir G. Barclay.

August 31, 1910.

IN reply to the note of the 7th December last, respecting the statements made by Messrs. Lynch to the effect that the delay in the completion of the road is due to the grave political troubles of the country, I have the honour to state that, in the opinion of the Ministry of Public Works, the recent events in Persia and the demand for rights made by the nation have been no obstacle to the making of the roads, and the company could easily have the roads repaired in every way.

I avail, &c.

HUSSEIN KULI.

[34698]

No. 449.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 173.)

Sir,

Gulahak, September 8, 1910.

I HAVE the honour to acknowledge receipt of your despatch No. 119 of the 15th July, respecting the attack on Mr. Bill in April last on the Shiraz-Ispahan road, and, in accordance with your instructions, I have addressed to the colonel of the Cossack Brigade a note requesting him to convey to the Vakil Bashi and the Cossacks who accompanied Mr. Bill a silver cigarette case and watches and knives, as a mark of the appreciation of His Majesty's Government of their courage on that occasion.

I have, &c.

G. BARCLAY.

[34699]

No. 450.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 174.)

Sir,

Gulahak, September 8, 1910.

I HAVE the honour to transmit copy of correspondence between the Persian Government and this legation regarding the laying of a telephone line by the Anglo-Persian Oil Company.

I trust that the attitude taken up by the legation in this matter will meet with

your approval. The line is exclusively for the use of the company, and is, I conceive, indispensable to the proper working of the pipe line. There is, moreover, a clear precedent in the company's favour in the case of the telephone which runs along the Russian Resht-Tehran road, for which there has been no special concession.

Hussein Kuli Khan, with whom I have discussed the matter, realises, I think, that the telephone is indispensable for the proper working of the pipe line, but he maintains that the right secured to the company by article 2 of its concession to construct the necessary "travaux et agencements" (rendered in the English text "works of arrangement") cannot properly be interpreted as applying in the case of a telephone which he contends should form the object of a special concession.

I do not apprehend that the Persian Government will be so ill-advised as to resort to active measures to interfere with the telephone, but I entertain but little hope of inducing it, at any rate without some *quid pro quo*, to admit that the company is acting within its rights; and as, unless the Persian Government's consent can be secured, the telephone will, like the barges on the Upper Karun, be a constant source of friction between the Persian Government and the company, I think the latter would be well advised to consider whether some *quid pro quo* could not be offered—whether, for instance, it could not see its way to admit a generous interpretation of article 4 of the concession, which provides that three petroleum mines now worked by Persians shall be comprised in the concession for a payment of 2,000 tomans a-year. This article is now in dispute, the Persian Government contending that it is entitled to the 2,000 tomans a-year since the granting of the concession, the company on the other hand maintaining that as they have never used the three petroleum mines referred to they are not liable for this annuity. If this question were submitted to arbitration, it would be, it seems to me, a matter of some doubt whether the company would win its case, and I think the company would be acting in its best interest if it were to pay full arrears of this annuity to the Persian Government on condition that the Persian Government desisted from its opposition to the barges and the telephone.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 450.

Hussein Kuli Khan to Mr. Marling.

May 31, 1910.

ACCORDING to reports received from the Ministry of Posts and Telegraphs, the oil company have imported to Shuster large quantities of poles, wires, and insulators from India, and they intend to have a telegraph line constructed from 6 farsakhs from Shuster to Mohammerah. I am much surprised that while the company has no such agreement with the Persian Government, they should take such a measure. I therefore request you to be good enough to telegraph to the company and prevent them from the measures they are taking.

(For the Foreign Minister),
SEKAT-UL-MULK.

Enclosure 2 in No. 450.

Mr. Marling to Hussein Kuli Khan.

Your Excellency,

Gulahek, June 3, 1910.

IN VIEW of our recent conversation, and of the explanations which I then gave you with regard to the construction of a telephone line by the Anglo-Persian Oil Company, from Shuster to Mohammerah, it is with considerable surprise that I have now received the note of the 31st May, signed by the Sekat-ul-Mulk, and requesting me to direct the company to desist from their action in this matter.

By article 2 of Mr. W. K. D'Arcy's concession, it is stipulated, as your Excellency will remember, that he shall have the right to construct and maintain "tous puits, réservoirs . . . et autres travaux et agencements qui seraient jugés nécessaires."

In view of the above condition, and of the fact that the telephone is also necessary to facilitate the construction of the pipe lines, and will be used solely for the purposes

of the lessee, His Majesty's Legation can take no action to impede the laying of the telephone line, but, on the contrary, must request the Imperial Government to facilitate the matter in every way as stipulated in the concession.

I avail, &c.

CHARLES M. MARLING.

Enclosure 3 in No. 450.

Hussein Kuli Khan to Sir G. Barclay.

August 19, 1910.

IN spite of the representations already made to the effect that the construction of telephones and other such things are the prerogative of the Persian Government and without the special concession and permission, any steps towards such constructions would be the violation of the indisputable rights of the Persian Government, I learn that the oil company is constructing a telephone line from Mohammerah to Shuster. In view of the confidence that the Persian Government has always had in the sense of justice, friendship, and good neighbourliness of the British authorities, it would be a matter of regret that the proceedings of certain agents should not be in conformity with those good feelings of the British Government. Notwithstanding the assistance always rendered by the Persian Government to the company and the desire for the progress of their works, it protests against this proceeding of theirs, and it requests your Excellency, who is bound by duty and conscience to respect and protect the rights of the two Governments, to prevent the company from the work in question and to instruct them not to do anything contrary to the stipulations of their concession.

I avail, &c.

HUSSEIN KULI.

Enclosure 4 in No. 450.

Sir G. Barclay to Hussein Kuli Khan.

M. le Ministre,

Gulahek, August 30, 1910.

I HAVE the honour to acknowledge the receipt of your note of the 19th instant in which you state that the Persian Government protests against the construction of a telephone line by the Anglo-Persian Oil Company.

In reply, I can do no more than refer your Excellency to Mr. Marling's note of the 3rd June last, in which it was made quite clear that the laying of the proposed telephone line is within the rights of the company under article 2 of their concession.

The telephone is intended exclusively for the purpose of working the company's concession, and I fail to understand how the Persian Government can be so short-sighted as to seek to hamper a work which is absolutely indispensable to the proper working of the pipe line—an object which the Persian Government, being so largely interested financially in the company's success, should be the first to facilitate.

I avail, &c.

G. BARCLAY.

[34700]

No. 451.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 175.)

Sir,

Gulahek, September 9, 1910.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.

G. BARCLAY.

[1738]

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Enclosure in No. 451.

*Monthly Summary of Events in Persia for Four Weeks ending September 9.**Tehran.*

AT the sitting of the Medjliss on the 11th August, the Cabinet's proposal to engage foreign officials for the different Ministries was read. The proposal was as follows:—

Ministry of Finance (7 Frenchmen)—					
Treasury .. .. .	..	..	..	..	3
Direct taxes .. .. .	..	..	..	..	2
Control .. .. .	..	..	..	..	2
Ministry of Interior (6 officials)—					
Central Ministry and Provinces ..	..	..	..	..	1 Italian.
Gendarmerie .. .. .	..	..	..	..	3 Italians.
Police .. .. .	..	..	..	..	2 Swedes.
Ministry of Justice (2 officials)—					
Conseiller légiste .. .. .	..	..	..	..	1 Frenchman.
Director of Administration .. .. .	..	..	..	..	1 Egyptian.

It was proposed that these fifteen officials should be engaged for a period of three years. After a short discussion the matter was referred to Committee.

On the 16th August the Committee elected to investigate Vekil-ul-Roaya's accounts submitted a report on the result of the enquiries made. It was to the effect that the accounts showed a considerable deficit regarding which Vekil-ul-Roaya was to give further explanations. The matter has not since been raised.

On the 18th ultimo a letter from the Ministry of Finance was read proposing to make a monthly allowance of 400 and 300 tomans respectively to Sattar and Bagher Khans, as well as a further grant of 2,000 and 1,500 tomans respectively. Another letter from the same Ministry was read proposing to allow a pension of 500 tomans a-month to the heirs of the late Mujtehed Seyyid Abdullah. Both proposals were referred to Committee.

At the same sitting the Foreign Minister was interpellated as to the withdrawal of the Russian troops. Hussein Kuli Khan replied that he was occupied with the question, but he regretted to find in the archives of the Foreign Office a letter from the Russian Legation proposing to the Persian Government to enter upon a discussion with a view to a withdrawal of the troops. He considered that no discussion was necessary, and that the troops should be withdrawn unconditionally. He added that he had formed the opinion that the Russian Government was well disposed towards Persia, and if his conclusion was correct there should be no difficulty in bringing about the withdrawal of the troops.

At the subsequent sitting of the 20th August a further question was asked on the same subject when the Foreign Minister amplified his previous answer.

At the sittings of the 20th and 23rd August the Ministerial programme was discussed, and eventually agreed upon by a large majority.

On the 25th August a Committee was elected to draw up a programme for the House. The President stated that this programme will include a list of the most important matters which will be put before the House for its decision. This step was taken on account of the excessive waste of time over unimportant matters. A telegram was then read from Sardar Zaffer, Bakhtiari, who said that in accordance with the orders of the Medjliss he had dispersed the Bakhtiari force he had collected for the purpose of attacking Soulet-ed-Dowleh.

On the 3rd September one of the deputies interpellated the Minister of the Interior regarding current reports as to the action taken by Amir Mufakham, Bakhtiari, and the intention of Soulet-ed-Dowleh to march on Tehran. Farman Farma in reply denied the truth of the reports.

On the 6th September the Committee entrusted with the examination of the Ministerial programme respecting the engagement of foreign officials, submitted their report. It recommended that instead of employing Frenchmen for the Ministry of Finance, Swiss should be engaged. During the course of the debate, the clerical Prince Hajji Sheikh-ul-Reis, moved that the financial assistants should be citizens of the United States of America. The spokesman on behalf of the Government, Prince Assadullah Mirza, strongly urged the employment of Frenchmen, which he declared to be desirable for reasons which the Cabinet could not publicly state. It was clear, however, that a great majority was in favour of employing Americans, and the question

was again referred to Committee. Explaining the use of the word "employé" instead of "adviser," Assadullah Mirza stated that it might be necessary to empower the officials engaged from abroad with executive functions, and not to limit their powers to the mere giving of advice.

The Shah's Birthday.

On the 2nd September the Shah's birthday was celebrated in the usual manner. The corps diplomatique was received in audience by the Regent and the Shah, and His Majesty's Minister took the opportunity of presenting to His Majesty the King's letter announcing the sad news of the demise of His late Majesty, as well as of presenting his new credentials.

Concessions.

The Persian Government's reply to the Anglo-Russian joint note as to concessions, dated the 20th May last, was received on the 3rd September. As it was couched in unsatisfactory language it was returned to the Foreign Minister.

I have, &c.

G. P. CHURCHILL, *Oriental Secretary.*

Tabreez.

1. Taki Zadeh arrived at Tabreez, from Tehran, on the 9th August. The situation has continued normal.

2. Towards the end of August disturbances occurred at Urmi, resulting in the destruction of the municipal offices, and in the departure of the governor from the town. The inhabitants threatened that unless troops were sent to keep order they would take refuge in the Turkish consulate. 700 soldiers were dispatched from Tabreez, and the new governor, Ijlal-ul-Mulk, was to leave Tabreez, for Urmi, on the 30th August. It appears, from a report sent to Constantinople by His Majesty's consul at Van, that such disturbances may be used by the Turks as a pretext for the occupation of Urmi.

Resht.

Three cases of cholera having occurred at Enzeli during August, quarantine has been established at Rudbar for travellers to Tehran.

Meshed.

1. Though no one had arrived to replace him, Rukn-ed-Dowleh left Meshed on the 23rd July. The province, though without a Governor-General, has remained quiet. The roads, except on the Afghan frontier and near Turbat, where several robberies are reported, have been safe. The administration shows no signs of improvement, there being much friction between subordinate departments. The news of the murder of Seyyid Abdullah caused some uneasiness, but nothing untoward occurred. The chief of the police seems to have regained his former ascendancy, but great dissatisfaction is expressed with the conduct of the police in outlying districts. Some of the Meshed police, in the execution of their duty, handled two employés of His Majesty's consulate-general with unnecessary violence. The offending policemen were imprisoned for several days, and were only released at the instance of Major O'Connor, the chief of police, taking the opportunity of lecturing his subordinates on the general duties of the police in big cities.

2. 2,918 cases were treated, and fourteen operations performed, in the Consulate-General Hospital during July.

3. Towards the end of July three Persian doctors arrived from Tehran, to institute quarantine arrangements against cholera on the three main roads from Transcaspiæ.

Scistan.

1. In the first half of July four caravans, in all 1,000 men with 1,250 camels carrying 18,500 rifles, were reported to have passed through Girdi and into

Afghanistan. Most of them were destined for Kandahar, but some were for Herat and Kala-i-Fath. The Persian troops made no attempt to interfere with them.

2. At the beginning of August both the Kuh-i-Malik Siab-Seistan route and the Palang Kuh route to Birjand were reported safe.

Birjand.

1. A number of local taxes on wheat, barley, straw, and firewood have been remitted by Shaukat-ul-Mulk, on account of the numerous complaints against them. A small riot occurred on the 11th August, the new contractor of the salt monopoly being attacked. Several arrests were made and the ringleaders punished.

2. 1,153 cases treated in the hospital during June.

Ispahan.

1. On the 9th August, 300 to 400 Bakhtiari horsemen left for Kirman, via Yezd, under command of Iskander Khan, son of Sardar-i-Zaffer.

2. The Governor-General continues a policy of subserviency to the clergy, and the local administration shows no improvement. The state of the roads seems to vary a good deal; at times caravans pass unmolested, at others numerous robberies are reported. These are all attributed to parties of Kashgai tribesmen, the victims in some cases being Bakhtiaris. Throughout August negotiations continued between the various Bakhtiari chiefs, Soulet-ed-Dowleh, and the Ispahan clergy. The question at issue appears to be the ilkhanship of the Kashgais. Soulet-ed-Dowleh, the present ilkhani, has obtained the support of Amir-i-Mufakham and Sardar-i-Asjaa', as well as of the clergy, who, with Soulet-ed-Dowleh, are said to be acting on instructions received from Tehran from Sipahdar. Zeigam-ed-Dowleh, the other candidate for the ilkhanship, has the support of Sardar-i-Zaffer and the other Bakhtiari chiefs who take their orders from Sardar Assad. There have been frequent rumours of fighting, but these are not confirmed. The Government and the Bakhtiari chiefs at Tehran have striven to avert a conflict. Soulet-ed-Dowleh has retired from near Kumisheh to Abadeh, and it is understood that Amir-i-Mufakham and the other chiefs who support Soulet-ed-Dowleh will be brought to Tehran, and that Sardar-i-Muhtesham will proceed to Ispahan to maintain order among the Bakhtiaris. It was reported that a reconciliation had been effected, but this has proved to be incorrect.

Sultanabad.

On the 27th August severe fighting was reported between the Governor-General and the Lurs; the situation of the former was said to be precarious.

Yezd.

Towards the end of July a rumour was current that the ex-Shah, with Zil-es-Sultan and 19,000 men, had landed at Resht. Such rumours have a dangerous effect on the lawless border villagers. Sardar-i-Jang, despite the issue by him of a proclamation announcing that he had handed over the governorship to his nephew, is still governor, and shows no signs of starting for Kerman. Mudabber-ed-Dowleh, who is proceeding to Kerman as Sardar-i-Zaffer's deputy, passed Anar on the 26th August with 350 Bakhtiari horsemen. The roads round Nain are reported to be unsafe, but the state of the other Yezd roads appears to be normal. Naib Hussein, who has been joined by Intizam-ul-Mulk, was at the end of August still near Anarek, whilst the force supposed to be pursuing him remained at Nain.

Kermanshah.

The town and district have continued quiet. The local police are reported to be very unpopular, and towards the end of July there was a disorderly demonstration against them. The governor, on hearing of the disorder, came to town and publicly abused the chief of police. The latter resigned, but was subsequently reinstated under orders from Tehran, and received an apology from the governor. Daoud Khan is reported to be making difficulties about paying taxes; the state of the roads is normal.

Hamadan.

1. On the 26th July an Afghan subject was killed. Representations were made by His Majesty's acting consul at Kermanshah to the Governor of Hamadan. The murderer has been arrested, but has not yet been tried.

2. After the formation of the new Cabinet, the governor received a telegram from Tehran ordering him to arrest, punish, and expel the disturbers of the peace. The telegram was published, and somewhat frightened the public. The following disturbing rumours were current:—

Nazar, the Lur chief, who assisted Sardar-ed-Dowleh in his rebellion, was approaching Burujird.

The ex-Shah was about to arrive.

Amir-i-Afkham has levied 10,000 lb. of flour from each of his forty-six villages between Hamadan and Kazvin, to be collected at a large village in Sardarud. This is presumed to be intended for some force or expedition.

Kerman.

1. The local assembly resumed its sittings towards the end of July, under instructions, it was said, from Tehran. An attempt was made by the priests to prevent the collection of certain fresh taxes authorised by the local assembly, and the octroi collectors were attacked and driven from their posts. The police, however, quelled the disturbance, and reinstated them. The deputy governor is very unpopular, but since the incident recorded in paragraph 2 he has been very polite to His Majesty's consul, and has expressed a desire to settle all British claims. The province has remained quiet with the exception of Baluchistan, where disorder prevails. On the 30th August a large force of Baluchis from Sarhad and Rigan, under Jihand, visited Fahraj and other villages, and besieged the Governor of Bam at Karimabad. The latter's men are said to have killed fifteen of the raiders, who retired the next day, taking with them a large number of animals and twelve slaves. The Narmashiris lost two men killed.

2. M. Petroff, the Russian consul, has had trouble with the deputy governor regarding a horse taken from a Russian subject, in whose case he was unable for a long time to get any satisfaction. On the 2nd August M. Petroff heard that the horse was in the police stables. He entered the city at night with his Cossacks and went to the officiating chief of police and asked for the horse, but was satisfied that the horse was not in the police stables. The next day M. Petroff heard that the horse had been quietly removed before his visit from the police stables to those of the deputy governor. At 10.30 p.m. that night he went fully armed, with fourteen Cossacks likewise armed, and entered the Bagh-i-Nasiri, where the deputy governor was announced. The deputy governor was sitting on the upper verandah of a two-storied house with several officials. M. Petroff then drew up his Cossacks at the foot of the stairs, ordered them to load, and loaded his own rifle. He then went up the stairs, followed by the Cossacks. The deputy governor, who had been disturbed by the noise of M. Petroff's arrival and of the loading of the rifles, came forward to meet him, and asked him why he had come thus armed and attended. M. Petroff replied that precautions were necessary in such company, and bluntly accused the deputy governor of stealing the Russian subject's horse. M. Petroff would accept no denial nor explanation, and was violent in his manner, several times jumping up in a threatening way. The company was much terrified, and the chief of the road guards fled. M. Petroff at length left, having received a promise, since fulfilled, that the full price of the horse would be paid on the following day. Two days later, the local Chief Justice visited the head clerk of His Majesty's consulate and endeavoured to find out whether local officials might expect any support by way of a protest or other action from His Majesty's consul. The head clerk informed him that the matter was no concern of His Majesty's consul.

Shiraz.

1. Zaffer-es-Sultaneh, the ex-Governor-General, left for Tehran on the 17th August. Kawam-ul-Mulk has been appointed acting governor. Perfect order is kept in the town. Caravans are using the Firuzabad road to Bushire and the Sarhad road to Ispahan. Both these routes are in the hands of the Kashgais, who blackmail the muleteers. The postal roads north and south are unsafe, being rendered so by the

Kashgais who wish their own roads to be used. Ain-ed-Dowleh has been appointed Governor-General, and his advent is awaited with interest; he has not yet left Tehran. Public opinion is generally pessimistic owing to the almost complete surrender of the late Governor-General to Soulet-ed-Dowleh. It is to be noted, however, that Sipahdar, at the time Minister of the Interior, was responsible for this surrender. Soulet-ed-Dowleh is now at Abadeh. It is generally thought at Shiraz that a capable governor, if given full powers, might, with the troops now at Shiraz and the skilful use of Zaigham-ed-Dowleh, be able to restore order. The tribes will shortly be moving from their summer to their winter quarters, and in the absence of a strong governor there is considerable risk of disorder.

2. The relations between the Russian consul, whom Mr. Smart describes as apparently liable to occasional violent fits of insanity, and the ex-governor seem to have been very bad. Towards the end of July, M. Passek sent the Governor-General an ultimatum to the effect that, if satisfactory arrangements for the settlement of his cases were not made within twenty-four hours, he would pull down the Russian flag and close his consulate. The local Foreign Office agent succeeded in calming him down with vague promises. M. Passek informed Mr. Smart that he had telegraphed *en clair* to M. Poklewski, "the second British Minister at Tehran," as M. Passek sarcastically calls him, that in view of the general anarchy and humiliating impotence of the foreign representatives at Shiraz, he considered the Imperial Russian Consulate-General at Shiraz to be quite a useless institution.

PERSIAN GULF.

Bushire.

1. Messrs. Wöneckhaus and Co., Bushire, have purchased a sailing vessel, ostensibly for going round the Bahrein pearl banks to collect shells. It is, however, surmised that the vessel is to be used generally in connection with the arms traffic.

2. Under the direction of the governor, elections were held at the beginning of August for the formation of a municipal committee. Twenty persons were elected, but nothing definite was settled as to what they were expected to do.

3. At the end of July the Kazerun route to Shiraz was still closed, but the Firuzabad route was safe and in use. Reports from Bunder Abbas and Lingah indicated that the roads from those ports were still unsafe.

Ahwaz.

1. Some of the European employés of the Anglo-Persian Oil Company, at present engaged on the pipe lines, seem likely to get the company into serious trouble. One of them is stated to have opened fire with his revolver on a number of the guards supplied by the sheikh who were quarrelling among themselves. Fortunately no one was hit. A number of the Indian employés are being sent back to India before the expiration of their contracts and without knowing the reason of their dismissal. Others are leaving of their own accord, and complain of their treatment at the hands of the European employés.

2. Shuster was in a disturbed state throughout July, and the bazaars were closed. The cause of the trouble is not known. Sheikli Khazal summoned the leading men on both sides and announced his intention of putting a stop to these recurrent disturbances even if he had to employ all his forces. Steamers had ceased to run to Shuster, and the Shuster-Dizful road was unsafe.

3. It is reported from Burujird that Sarum-es-Sultaneh, the commander of the Silakhori regiment, fearing the central Government's displeasure for the Royalist tendencies which he displayed last year, is attempting to get into touch with the Russian consul at Kermanshah through the Russian agent in Burujird. Our news agent in Burujird reports that these two men—Sarum-es-Sultaneh and the Russian agent—are attempting to stir up trouble to afford the Russians a pretext for introducing Russian troops into Luristan.

4. It appears that the Russian agent at Burujird recently sent three men to protect some lands, the property of the ex-Imam Juma of Tehran, near Nabavend. The men were beaten and stripped *en route* of all they possessed. The Imam Juma is a notorious reactionary, and was reported to have been arrested a few weeks ago by the Turks at Bagdad. The Russian agent is actively engaged in cultivating relations with all the leading men in Burujird.

Mohammerah.

1. The Director of Customs has received new orders to enforce the passport regulations between Mohammerah and Bussorah. The sheikh has forbidden him to do anything of the sort.

2. The Persian Government has telegraphed to the local Foreign Office agent absolutely refusing the desired permission for the oil company's barges. The Foreign Office agent telegraphs constantly to Sheikh Chasib to stop the barges and send them down again. No attention is paid to these telegrams; the barges are in regular use.

3. Seven hundred and fifty pipes fell into the Karun River at Kat Abdullah, the bank below them being eaten away by the water. There was plenty of time to remove them before they fell in, but, in spite of warnings, nothing was done, owing to a dispute between the pipe-line contractor and the oil company's Ahwaz agent as to who should pay the cost of removing them—10*l.* at the outside. The pipes appear irrecoverable, and the loss is estimated at 1,000*l.* It is feared that the tangled mass of pipes will present a serious danger to navigation, as they are nearly in mid stream, and the current flows very fast over them.

C. B. STOKES, Major,
Military Attaché.

[34702]

No. 452.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 177.)

Sir,

Gulahck, September 9, 1910.

IN my despatch No. 168 I mentioned the dissensions which have recently broken out amongst the Bakhtiari khans, and I stated that latest advices pointed to some kind of a reconciliation. I regret now to have to report that from telegrams which have passed between the khans in the last day or two, and which have been shown me secretly, it is evident that the reconciliation has not made progress, and, moreover, that all Amir Mofakham's brothers, including Sardar Mohtashem, the Ilbeggi, who is now in Tehran, Sardar-i-Jang, Governor of Yezd, and Sardar-i-Ashja, Governor of Ispahan, are in collusion with Soulet-ed-Dowleh.

In my despatch above referred to, I recorded the explanation of the origin of the dissensions which Sardar Mohtashem gave Mr. Churchill very confidentially some days ago, but I did not mention a part of Sardar Mohtashem's confidences which I regarded at the time as too improbable to record officially, and more appropriate to a private letter than to a despatch. The telegrams which I have recently seen, however, reveal such hostility between the two branches of the khans that I am inclined to think that whether Sardar Mohtashem's allegations are true or not they are believed by all his brothers, and I therefore venture to record them. Besides giving Mr. Churchill the account embodied in my previous despatch of the immediate causes of the dissensions which have broken out, Sardar Mohtashem declared that Sardar Assad was aiming at the throne and to achieve his purpose was seeking to overthrow Soulet with the assistance of Sardar Mohtashem's branch of the family, and that he intended later to annihilate the latter.

Whether Sardar Assad has the far-reaching designs attributed to him by Sardar Mohtashem or not, Sardar Zaffar's folly has apparently paralysed the operations against Soulet-ed-Dowleh, which there is every reason to think Sardar Assad contemplated, though it is doubtful how far he had the approval of the central Government for the use of force.

Sardar Assad is now trying to undo the harm wrought by Sardar Zaffar's violence. He is recalling Sardar Zaffar, and he wishes the Government to summon the Governors of Ispahan and Yezd to Tehran, probably with the intention of keeping them under his own supervision. The Ilbeggi himself who, although secretly in sympathy with Soulet, is opposed to hostilities, is to go to Bakhtiari country to keep order. How far this plan can be carried out remains to be seen, but telegrams have been passing between the disaffected khans which make it very doubtful whether Sardar Jang and Sardar Ashja will obey the summons to Tehran and will not rather return to Bakhtiari country there to concert with Amir Mofakham and Soulet-ed-Dowleh.

Sardar Mohtashem when making his confidences to Mr. Churchill asked my views of the situation as he had depicted it. I have given him no reply beyond expressing the hope that the efforts which he and Sardar Assad are making to bring about a reconciliation will succeed.

I have, &c.
G. BARCLAY.

[34660]

No. 453.

Mr. O'Beirne to Sir Edward Grey.—(Received September 26.)

(No. 378. Confidential.)

Sir,

St. Petersburg, September 14, 1910.

THE Acting Minister for Foreign Affairs read to me on the 9th instant a private letter which he had just received from the Russian Minister at Tehran, giving an account of a conversation which he had had with the Persian Minister for Foreign Affairs on the question of the withdrawal of the Russian troops from Persia.

Hussein Kuli Khan, while he had objected in general to the recall of the Kazvin force being made conditional on the fulfilment of stipulations such as Russia had put forward, had nevertheless intimated that the only one of these conditions which presented really great difficulties was that relating to the introduction of an automobile service on the Enzeli-Tehran road. He had said that an automobile concession had already been given to a Persian. M. Poklewsky pointed out that that concession had expired. The Foreign Minister had urged that compliance with the Russian demand would create a monopoly in favour of Russia to which there were objections. M. Poklewsky replied that the concession for the Enzeli road gave to Russia the sole right of exploiting the road, which carried with it the right to provide vehicles for the purpose. The Nawab had further complained that Russia had illegally placed sixty automobiles on the Julfa-Tabreez road without paying customs duty on them.

The Foreign Minister had then gone on to say that the Persian Government could not possibly agree to the Russian conditions if the result was to be the withdrawal only of the Kazvin force and not of the other Russian troops on Persian soil. Thereupon M. Poklewsky stated that he would take it upon himself personally to recommend to the Imperial Government the withdrawal both of the Kazvin and of the Tabreez forces if the prescribed conditions were fulfilled, and also (I think he implied) if a satisfactory condition of things was maintained at Tabreez and in the surrounding districts. M. Poklewsky ended his letter to M. Sazonow by stating that he felt fairly hopeful as to the result of the negotiations.

The Acting Minister for Foreign Affairs, commenting on this letter, repeated to me that he was most desirous of seeing the Kazvin force withdrawn. He was not quite so positive as regards the troops at Tabreez. He approved of the suggestion thrown out by M. Poklewsky that this force also might be recalled under certain conditions, but he remarked that the present Governor-General of Tabreez must first be removed, and he referred also to recent acts of lawlessness on the part of the Shahsevan tribesmen, who had again interrupted traffic on the Astara-Ardebil road.

I have, &c.
HUGH O'BEIRNE.

[34661]

No. 454.

Mr. O'Beirne to Sir Edward Grey.—(Received September 26.)

(No. 379.)

Sir,

St. Petersburg, September 14, 1910.

I CALLED on the Acting Minister for Foreign Affairs this afternoon in order to ask his concurrence in the form of communication to the Persian Government which is set forth in your telegram No. 567 of the 13th instant regarding the employment of foreign assistants. I had previously received copies of Sir G. Barclay's telegrams reporting that in addition to the engagement of Americans for the Finance Department the Medjliss had decided in favour of engaging one French assistant for the Ministry of Justice and three Italians for the gendarmerie, and I found that M. Sazonow was already aware of this fact.

His Excellency showed considerable hesitation in agreeing to your proposal to

acquiesce in the employment of Americans as financial assistants. He said that it was not clear to him that, since Americans were citizens of a Great Power though a non-European one, their employment would not be used by Germany as a pretext for demanding the employment of her nationals. I replied that if Germany made such a demand it could be pointed out to her that in this matter Americans stood on a different footing from subjects of a European Great Power, who might be expected to take sides either for or against the two Powers chiefly interested in Persia; and I laid stress on Sir G. Barclay's apprehensions that failing Americans there would be a proposal to employ Swiss, which might prove embarrassing. M. Sazonow ultimately said that he would agree to the employment of Americans if you considered that the two Powers would be in a position to reply satisfactorily to any pretensions that Germany might put forward in consequence.

His Excellency then stated that, according to a report which he had received from M. Poklewsky, the French and Italian representatives at Tehran had been instructed to decline any proposal that might be made to them by the Persian Government with a view to engaging their nationals, but that they had expressed the hope that Americans might equally be excluded. M. Sazonow appeared to think that the attitude of the two representatives was a reasonable one, and that it raised a considerable difficulty. I said that I thought the case could be explained at Paris and Rome in a way that would satisfy the French and Italian Governments, and I promised to inform you of what he had told me.

After some discussion the Acting Minister for Foreign Affairs agreed to send instructions to the Russian Minister at Tehran in the general sense suggested by you. He remarked, however, that in acquiescing in the employment of Americans the two Powers were in reality giving way to Persia, and to avoid the appearance of so doing he would instruct M. Poklewsky to inform the Persian Government in a peremptory form that the Russian Government "authorised" them to employ Americans as proposed.

While thus agreeing to join in the suggested representation at Tehran, the Acting Minister for Foreign Affairs expressed the opinion that this communication would fail to produce the desired effect and that it would be necessary to take a stronger line with the Persian Government. M. Sazonow declared with great emphasis that the attitude adopted by the Persian Government was becoming intolerable. They had refused satisfaction in the case of every demand recently put forward by the two Powers. His Excellency cited the demands for compensation made in the case of the attack on Mr. Bill and in that on M. Passek, the question of the consolidation of the debts due to the Russian Bank, the stipulations made by Russia as conditions precedent to the withdrawal of the Kazvin force, and the question of foreign assistants. In all these matters the Persians had simply disregarded the representations of the two Powers, and this could not be allowed to continue. M. Poklewsky had some three weeks ago expressed himself hopefully as to the outcome of his negotiations with a view to the withdrawal of the Russian troops (I had the honour to report to you on the subject in my despatch No. 378, Confidential, of this date), but he now reported in quite a different sense. M. Sazonow had telegraphed some ten days ago to ask him whether the moment was opportune for the recall of the Kazvin force; and he had replied that the present Persian Government was entirely intractable and that it would be undesirable to show them any condescension by such measures as the withdrawal of the Russian troops or making them an advance of money.

His Excellency went on to say that it had now become necessary to apply such pressure to the Persian Government as would bring them to their senses. I asked what measures he contemplated. He replied that in April last the Russian Minister had suggested that it could be intimated to the Persian Government that if they maintained their refractory attitude the Russian forces in Persia would not only not be withdrawn, but would be brought up to their full strength (I may note that M. Poklewsky made this suggestion before the time-expired men had been replaced at Tabreez). M. Poklewsky had further suggested a threat to move the Kazvin force to Tehran, but this M. Sazonow said to me he would not agree to. Other means of pressure indicated by M. Poklewsky were a threat to demand the immediate payment of the arrears on the Persian Government's debts and a threat to seize the customs; and M. Sazonow added that the Russian Government might further threaten to refuse transit through the Caucasus to all military supplies. He observed that the Russian Government could not resort to measures of the kind indicated without the concurrence of His Majesty's Government, but he seemed quite convinced that they would become inevitable.

[1738]

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I pointed out to his Excellency, in regard to the idea of increasing the Russian forces, that any such step would be interpreted as the beginning of an occupation of North Persia by Russia. He replied that it was not proposed to resort to such a measure until after a plain warning had been given to the Persian Government and disregarded by them. As regards the other coercive measures which he had indicated, I confined myself to suggesting that we should first see what result was produced by the representations which had been decided upon.

I have, &c.
HUGH O'BEIRNE.

[34662]

No. 455.

Mr. O'Beirne to Sir Edward Grey.—(Received September 26.)

(No. 380. Confidential.)

Sir,

St. Petersburg, September 17, 1910.

I SAID yesterday to the Acting Minister for Foreign Affairs that I supposed there was no truth in the recent rumours as to the negotiation of a military convention between Turkey and Germany and Austria. M. Sazonow said that he did not believe in the conclusion of a military convention. Turkey would, in his opinion, not incur the ill-will of Great Britain and Russia by taking such a step. But he thought that there had been conversations between her and the two central European Powers with regard to railways in Asia Minor. He suspected that this matter had been touched on by Hakki Pasha in Marienbad and by Djavid Bey in Berlin, and he appeared to think that Austria had acted as an intermediary between the other two Powers.

His Excellency said that his principal reason for fancying that something of the kind indicated had been taking place was the attitude assumed by the Turkish Government in the question of the Samsun-Sivas railway. Russia and France had been moving for the concession for this railway, of which Russia held the option as against any Power other than Turkey herself. The Ottoman Government had made difficulties about granting a concession, expressing an intention of constructing the line themselves. In reality it was Germany that desired to include this line in her Anatolian railway system, and M. Sazonow suspected that a plan was in contemplation by which Germany would finance the construction of the railway, which would be nominally undertaken by the Turkish Government. The position taken up by Russia was that Turkey was at liberty to build the railway if she could find the means required for so doing "within the limits of her budget."

M. Sazonow remarked to me that the Samsun-Sivas railway had a certain importance, but it was as nothing compared to that of a trans-Persian line which would connect the Russian and the British-Indian systems. That, he said, was the real counter-move to make to the Bagdad Railway scheme, but he feared that Anglo-Indian opinion was not yet ripe for it. He was far from underrating the value of the Anglo-Russian Agreement of 1907. That was "a great thing" accomplished, but his Excellency gave me to understand that it would, in his opinion, never yield the full value of which it was capable until it was completed by the adoption of the trans-Persian railway scheme, which would, he said, reduce the Bagdad line to a position of entire insignificance.

I have, &c.
HUGH O'BEIRNE.

[34750]

No. 456.

Sir G. Louther to Sir Edward Grey.—(Received September 26.)

(No. 49. Consular. Secret.)

Sir,

Constantinople, September 21, 1910.

WITH reference to my despatches Nos. 60 and 61, Consular, of the 8th September, 1909, I have the honour to forward herewith copy of a despatch addressed by His Majesty's consul-general in Bagdad to the Government of India on the question of the reduction of expenditure on his post and its transfer to the Levant consular service.

I fully endorse Mr. Lorimer's arguments against the proposed change; they seem to me sound and convincing, especially in the state of affairs existing at the present moment.

I have, &c.
(In the absence of the Ambassador),
GEORGE A. MOUNSEY.

Enclosure 1 in No. 456.

Consul-General Lorimer to Government of India.

(No. 728. Secret.)

Sir,

Bagdad, August 20, 1910.

IN continuation of my predecessor Colonel Ramsay's letters No. 856 of the 7th August, 1909, and No. 859 of the 9th August, 1909, I have the honour to enclose a memorandum by myself on the "Proposed Reduction of Expenditure in the British Consulate-General at Bagdad and transfer of that post from the Indian Political Service to the Levant Consular Service."

Two copies of the enclosure have been sent to His Britannic Majesty's Ambassador at Constantinople."

I have, &c.
J. G. LORIMER, I. C. S.,
Political Resident in Turkish Arabia.

Enclosure 2 in No. 456.

Memorandum by Consul-General Lorimer respecting the proposed Reduction of Expenditure in the British Consulate-General at Bagdad and transfer of that post from the Indian Political Service to the Levant Consular Service.

THE motives of the proposal are apparently two: (1) economy, and (2) abolition of dual control. These are desirable objects, but can they be attained without an undue sacrifice of political influence and administrative efficiency?

2. The chief causes of the expensiveness of the Bagdad station are the presence of the Royal Indian Mail steamer "Comet," and an Indian military guard, and the largeness of the buildings and grounds of the residency. If one of these items even can be eliminated, a substantial saving will be effected, but not otherwise. It seems to me, after nearly eight months' experience of the country, that the future of Turkey as a whole, and of this province particularly, is too uncertain to admit as yet of the removal either of the "Comet" or of the military guard.

We have lately seen the town of Shatrah occupied and sacked by tribal Arabs in broad daylight, notwithstanding the presence in it of a Turkish garrison of five^a battalions with five guns; and interruption of the navigation of the Tigris by tribal insurrection has been frequent in late years. It is also possible that Bagdad city, hitherto almost exempt from religious and racial animosities, may be more disturbed by such in future, in consequence partly of the grant of the constitution, which has encouraged the non-Mahomedan elements, and partly of the proceedings of that occult body, the "Committee of Union and Progress," which is anti-foreign and narrowly Turkish.

I therefore do not think that the present is a suitable time for the removal of the military guard, which has existed since the foundation of the residency in 1798: or for sending away the "Comet," which affords the means of placing European women and children beyond danger in an emergency; or for parting with the extensive walled grounds of the residency, which are capable of sheltering all the Europeans at Bagdad in case of disturbances. Yet one or all of them must go, if any serious reduction of expenditure is to be effected. The ship and guard being abolished, the present residency buildings would become needlessly extensive.

Some minor reductions of expenditure are possible, in my opinion, but they are not of a fundamental character.

3. The question of dual control may be a difficult one in Persia; but at Bagdad, so far as my experience and knowledge go, no inconvenience attributable to dual control

^a A larger garrison than that by which Bagdad is sometimes held.

has ever arisen. The matters in which His Majesty's Government and the Government of India respectively are interested seem to be, in this country, entirely distinct; and I have never felt in practice the slightest embarrassment due to the fact that I am serving two masters. Than this, probably, no more delicate test could be applied.

Perhaps the arguments relating to unification of control and to the Anglo-Russian agreement have been used, however, with reference to posts in Persia only. In that case the sole objection to the present arrangements at Bagdad lies in their expensiveness.

4. The next point is the essential one of political influence, and the extent of its dependence upon the scale on which the British consulate-general at Bagdad is maintained. In my opinion the dependence is very close and great, both with the Turks and with others.

The vali cannot but treat with respect and attention a foreign representative whose establishments* equal, if they do not excel his own; and his social relations with the British residency are a valuable check upon him from the point of view of British interests. This may sound absurd; but it is really a serious aspect of the matter. One of the weakest points about the new local government recently established here is the manifest anxiety of the staff, not excluding the vali himself, to stand well in European society.

On the other hand, a British traveller just returned from northern Central Arabia told me lately that the only foreign Power ever mentioned in his hearing by the inhabitants of Nejd was the British; and that to them the residency at Bagdad was the chief emblem of the dignity and character of our Government.

It should be borne in mind that the residency establishments form, in the eyes of the Turks, a single whole. The removal of the "Comet" would encourage them to demand the removal of the guard also; and, if this were conceded, the case for the retention of the British post-office, which is almost a necessity, would be weakened. If the post-office were abolished, nothing but the superior size of our more than half-empty buildings and the freehold character of the site would remain to differentiate this historic residency, founded under Sir Harford Jones to counteract the intrigues of Napoleon in the East, adorned by the scholarship of Claudius Rich, visited by Sir John Malcolm on his return from two of his missions to Persia, and famous for the great work done by Sir Henry Rawlinson and Sir Arnold Keimball in their prime, all of them Indian political officers drawn from the civil service or the army, from the mushroom consulates of Russia, Germany, Austria, Italy, and America.

5. The only remaining, but perhaps the most important, question is that of the general suitability and efficiency of the present arrangements as compared with those which it is proposed to introduce; and here, I think, the case against any immediate change is a very strong one.

(a.) Iraq is the chief country of Shi'ah pilgrimages. I cannot ascertain here what proportion of the 62,500,000 of Indian Mahomedans are Shi'ahs; but I am under the impression that, though a minority, it is a substantial and weighty minority. It is believed, though exact figures are not yet available, that the Indian Shi'ah pilgrims visiting Iraq every year are numbered by thousands, and this much is certain that the country is studded with permanently settled colonies, groups, and individuals of Indian origin, whom, or whose ancestors, religious sentiment in the first instance drew to these regions. It is believed that there are about 3,600 persons of Indian descent now living in Iraq who are entitled to British nationality and protection. Some of them represent the ancient ruling families of Delhi, Lucknow, and the Carnatic, and are in receipt of stipends from the Government of India; a few are retired pensioned officials; some are traders on a small scale; and a great many are stranded pilgrims or their descendants, sometimes living from hand to mouth and sometimes starving.

Large numbers of Sunni Mahomedans from India and Afghanistan also visit Iraq to pay their devotions at the shrine of Sheikh Abdul Kadir at Bagdad, and some of these also settle down in the country.

It will be conceded, I think, that an Indian political officer knowing Hindustani, which nearly all the Indian immigrants speak and understand, is in a better position for dealing with these people than a Levant consular officer, especially for the purpose of settling their disputes and cases with each other about inheritances, &c., which are

* It may be noted that there is no "sumptuary allowance" at Bagdad, and that all entertainments at the residency are consequently given at the resident's private expense. This is an important point in connection with the pay of the appointment. I have no fear of exaggerating the truth when I say that the British residency has for long been the chief social centre of Bagdad.

numerous.* In many cases the Indian political officer will have had long experience of Afghans also, as I have had, in their homes, and will be able to talk to them in their own language. An officer from India is less likely to be imposed on by Indians in questions of nationality, need of charitable assistance, &c., than a consular officer who will not be able in many cases to distinguish an Indian from an Afghan, or either of these from a Persian. The ability to cross-examine with a knowledge of people and places in India is invaluable here. Moreover, a consular officer cannot be expected to feel that sympathy for Indians which an Indian officer naturally feels, and which is a tradition of the Bagdad residency.

b. The resident at Bagdad has already much to do with the administration of various Indian endowments, of which the Oudh Bequest is the most important and the best known. The disbursements under this last great bequest are about 10,000 rupees or 666*l.*, a-month, and the management of it is a very thorny task. The Shi'ah Mohammedans of India have of late years instituted an annual conference, at which resolutions expressive of the wishes and views of the whole Shi'ah community in India are discussed; and one of the resolutions passed at the last Shi'ah conference at Lucknow referred to the Oudh Bequest. This resolution should no doubt be regarded as a first tentative move; and we must expect that in future the administration of the Oudh Bequest will be closely and jealously watched by the parliament of the Indian Shi'ah world. It has also lately been asserted that a large number of other Indian trusts and endowments,† exist in this country, of which nothing had hitherto been known officially, and that the proceeds are in many cases being quietly devoured by Turkish and Persian subjects. I am not yet in a position to say how far these assertions are true; but the subject is one which is sure to engage the attention of the All India Shi'ah Conference sooner or later, and a demand for a strict investigation through the British representative at Bagdad is likely to be the result.

It appears to me that, in consequence of the new organised movement among the Indian Shi'ahs, the British resident or consul-general here will probably during the next few years, have his hands full of work connected with Indian endowments; and an Indian service officer is obviously better equipped for undertaking such work than a Levant consular officer with no experience of India.

(c.) Another reason for which, I think, an Indian political officer is better qualified than any other to hold the Bagdad appointment is that he will ordinarily be a man of personal administrative experience,‡ and therefore in a superior position to an officer who has all his life been only an outside spectator of administration by others. He will understand better both the difficulties and the failures of the Turkish Government in this country; and he will probably therefore be more ready to make allowances for the Turks, where allowances are really due, and at the same time less liable to be deceived by false excuses, when such are offered. A political officer who has had to deal with famines, epidemics, racial and religious riots, and tribal outbreaks in a responsible capacity, sometimes even to the extent of using military force, will necessarily be a better critic, or rather judge, of the handling of similar matters by the Turks than a consular officer with no executive experience.

In many cases the political resident at Bagdad will have accompanied troops in the field in frontier operations, as I myself did during the general rising on the Indian north-west frontier in 1897, and again in the Mahsud blockade of 1900-1902. The experience of military affairs so acquired is of daily value at Bagdad as an aid to understanding the position of the Turks in this province. Again, the knowledge of politics and human nature derived from direct dealings with semi-independent tribes, and from endless discussions with their headmen in open Jirgah, is an invaluable asset at Bagdad. Every item of news about Turkish relations with Arabs and Kurds has a familiar ring to an officer who has gone through a frontier training in India; and many members of the Indian political department have spent the best years of their youth in tribal work.

The advantages of the Indian political officer in this respect extend to the civil departments, and embrace such matters as irrigation, assessment of land revenue,

* Indian business, official and unofficial, at present occupies one or two hours of every working day. Possibly there is some accumulation of work, owing to my having been away a good deal on tour during the winter; but, on the other hand, this is not the pilgrim season. There will always be a quantity of Indian work at Bagdad and Karabala.

† I may refer in this connection to paragraph 14 of my letter of the 11th April, 1910, and to paragraph 8 of the enclosure in the Government of India's letter of the 3rd June, 1910, to my address.

‡ It will be remembered that the Indian political department is a great administrative as well as a diplomatic service. It governs the whole of the north-western frontier province and Baluchistan, not to mention some fragments of British territory (such as Aimer) down country.

maintenance of land records, &c., but I do not wish to labour the point. It is enough to observe that the Indian Political Department is a great administrative service, as well as being a school of Oriental and tribal diplomacy, and that the fact gives its members great advantages at Bagdad over the members of any other service whatsoever.

(d.) Age is an important factor in a country where travelling is rough and uncomfortable, as it is here. Hardly any European at Bagdad ever stirs from headquarters who is not obliged to do so by the nature of his avocations; yet really good work cannot be done in Mesopotamia and Kurdistan without a great deal of travelling, that is without a great deal of discomfort and exposure. The intimate first-hand knowledge of people, places, and things, which is the secret of success in political work, is not to be acquired except by actual moving about in the cold weather, and even in the hot.

Now, if I am not misinformed, a consul-general of the consular service at Bagdad would generally be a man of 55 to 65 years of age—which would be a great drawback in the matter of tours; whereas, a consul-general supplied by the Indian Political Department would ordinarily, as Bagdad is a third-class residency, be between 40 and 50. Moreover, frequent touring is an established rule of all the Indian services, while, from the little that I have seen of the Levant consular service, I am led to conclude that with them it is otherwise. The average Indian officer is a man inured to field sports and fond of them—a trait which will recommend him to the hardy Arabs and Kurds of Irak, and will give him an influence with them that a sedentary European cannot acquire.

(e.) As to languages, an Indian officer at Bagdad will generally start with a thorough command of Hindustani, which no consular officer possesses and which (as already indicated) is very important here, and with a good knowledge of Persian to which he can rapidly add colloquial facility. A large amount of the work here can be done in Persian, especially at Karbala, which is practically a Persian town. In some cases, as in my own, the Indian officer will be a qualified interpreter, or will possess other equally good qualifications, in Arabic also. In fact, I think I am right in saying that the Government of India could always provide an officer with the requisite qualifications in Arabic and Persian, except colloquial facility—which latter can be acquired in a few months—and these in addition to the almost indispensable Hindustani. It may be added that the Indian officer will in a proportion of cases be able to speak Pashto, which is the surest road to the heart of the Afghans, of whom a number are met with here.

In Turkish the Levant officer would certainly have an initial advantage, but I understand that Turkish presents no serious difficulties to an Arabic and Persian scholar; besides which the superior Turkish civil officers can nearly all converse in French, and the higher officers of the army (of the modern school) in German. In French and German the Civil Service members of the Indian Political Department are probably as well qualified as the Levant Consular Service, at least after a little renewed practice. These languages are, or were, important subjects in the examination for admission to the Indian Civil Service.

On a recent tour in Kurdistan I collected some specimens of sentences, and compiled a small vocabulary of Kurdish, which I found to be very closely related to Persian, and with affinities to Pashto.

(f.) In the matter of work under the Ottoman Order in Council, the Consular Regulations, &c., I do not think that an Indian political officer is at a disadvantage. In India he will probably have had some years of judicial experience, criminal and civil, in different grades, and will be perfectly conversant with the interpretation of laws and regulations. In some instances, as in my own, he will have exercised the powers of a Sessions and Divisional Judge in India, which include the passing of death sentences and the determination of property suits of high value.

(g.) It may be urged that this province has a greater trade with the United Kingdom than with India, and such is the fact at the present time; but I see no reason why British trade should not continue to be safe with the Indian officers under whom it has grown to its present dimensions, and I see indications, on which I need not enlarge here, that the trade of Mesopotamia in the future is likely to be with India in an increasing degree.

6. I am strongly of opinion that the existing arrangements ought to be maintained for the present, or even, in view of the Indian work, permanently. Of course it is impossible to say what changes may be produced in the situation by the opening of rapid communication with Europe. Who can say, however, how soon or how late a railway from Europe will reach Bagdad? At the present time, when a Turkish

Governor-General has just been appointed to Bagdad with a greater establishment and ampler powers, extending to the Bussorah and Musal vilayets, than his predecessors, the retention of a "political resident in Turkish Arabia" to negotiate with this almost viceregal personage appears from every point of view desirable.

J. G. LORIMER, I. C. S.,
Political Resident in Turkish Arabia.

Bagdad, August 20, 1910.

[34670]

No. 457.

Mr. O'Beirne to Sir Edward Grey.—(Received September 26.)

(No. 390.)

St. Petersburg, September 22, 1910.

Sir,

ON the receipt of your telegram No. 581 of the 16th instant I called on the Acting Minister for Foreign Affairs and handed to him the *aide-mémoire*, of which I have the honour to enclose a copy, respecting the proposed loan by the Imperial Bank of Persia to the Persian Government of 100,000*l.* on the security of the Crown jewels, adding some verbal arguments as to the advisability from the point of view of the two Powers of sanctioning the transaction. M. Sazonow said at the time that it would be necessary for him, before giving a reply, to consult the Ministry of Finance.

As it appeared from Sir G. Barclay's telegram No. 374 of the 21st instant that there had been a misunderstanding in the matter, I asked M. Sazonow to-day how it stood. He said that he regretted that, owing to an error made in the Ministry of Foreign Affairs, M. Poklewsky had been told that His Majesty's Government asked not merely for the concurrence, but for the participation of the Russian Government in the loan. The mistake has now been set right, but M. Poklewsky had called attention to the point that the Russian Bank, by the terms of its concession, had the exclusive right to negotiate mortgages on Persian State property. M. Sazonow said that the decision rested with the Finance Ministry, and that he was awaiting a communication from them.

I said that I had clearly understood, and had so reported to you, that the Russian Government had no wish to make a loan to the Persian Government themselves. To this his Excellency assented. I added that it seemed to me that it would be easy for the Imperial Bank to make the proposed loan without prejudice to any special privileges possessed by the Russian Bank.

I have, &c.

HUGH O'BEIRNE.

Enclosure in No. 457.

Aide-mémoire communicated to Acting Minister for Foreign Affairs by Mr. O'Beirne.

THE Persian Government have applied to the Imperial Bank of Persia for a loan of 100,000*l.* on the security of the Crown jewels for the purpose of establishing order in the provinces.

The Imperial Bank are being informed that His Majesty's Government see no objection to the proposal, and Sir E. Grey hopes that the Russian Government will concur. The proposal includes an arrangement under which about 200,000 *krans* of the debt due to the bank would be paid off, and it would be difficult for His Majesty's Government to prevent a commercial transaction of this nature.

Sir E. Grey would be glad to be favoured as soon as possible with the reply of the Russian Government.

St. Petersburg, September 4 (17), 1910.

[34671]

No. 458.

Mr. O'Beirne to Sir Edward Grey.—(Received September 26.)

(No. 391.)

Sir,

St. Petersburg, September 22, 1910.

I HAVE the honour to call your attention to the leading article in to-day's "Novoe Vremya" of which a summary is given below. The article is evidently inspired, and should be read in connection with the language recently used to me by the Acting Minister for Foreign Affairs, as reported in my despatch No. 379 of the 14th September, as to the necessity of bringing strong pressure to bear on the Persian Government. After dwelling on the hostile attitude maintained by the present Persian Government towards Russia and England, and their systematic disregard of British and Russian interests and rights, the article points out that this state of things cannot be allowed to last long, and that if Persia is counting on support from Powers other than the two chiefly interested Powers she will find out how far off are her present friends and how near to her frontier is Russia. The article concludes very significantly by saying that there are various means short of compulsion by which a nation can assert her rights, and that if Russia invited Great Britain to join in one of such measures the latter certainly would not refuse.

The article runs approximately as follows:—

"The appointments are announced of Wosug-ed-Dowleh and Amiradjibi-Ewerieli as Minister and Assistant Minister of the Interior respectively. The former has made himself acceptable to the Medjliss by his extremely provocative attitude towards Russia, whilst the latter's sole recommendation appears to be the fact that he is a fugitive Russian subject who was once expelled from Persia by the Russian Mission and has frequently been connected with revolutionary propaganda in the Caucasus. In connection with the frequent change of Cabinets one constant law seems to be that each succeeding Cabinet shall be composed of persons more deeply imbued than their predecessors with the spirit of so-called 'nationalism,' which consists principally of spoiling as speedily as possible relations with foreign Powers. Thus the more 'nationalist' the Cabinets become the more gross and vehement are their attempts to provoke the hostility of Russia and England against them. At the same time the methods of administration of these Russophobes and Anglophobes are so elementary that any prospect of an agreement being reached is made impossible. Something in the nature of a *coup d'État* is taking place, in which the Persian administration is occupied in the creation of the most unexpected obstacles for such Russo-Persian current administrative matters as have hitherto passed by entirely unnoticed. We shall scarcely be believed when we state, as an instance, that up to the present the case of the attack to which the Russian consul-general at Bushire was subjected remains, from an international point of view, unsettled.

"Assuming that Russia as a 'reactionary' country evokes the special hatred of the Persian Radical Ministers, how are we to explain the fact that the English—it would seem the most advanced of all nations in a political sense—have also, up to the present, been unable to obtain satisfaction for the insults inflicted on the British consul at Shiraz? But we can go further. It seems that even the most ordinary legal business is subject at present to unusual delay the moment that Russian or British subjects are concerned in it. For instance, during the last months not one of our consuls has succeeded in obtaining a single permit for shops or houses such as are obtained by Russian subjects in strict accordance with existing treaties. Formerly this formality was a matter of a few days only. Now, just as if by some *mot d'ordre* from the capital, absolute paralysis has overtaken all Persian officials. It is easy to understand the great loss which Russian interests are suffering from this state of affairs. Formerly in mixed legal cases in which both Russian and Persian subjects were concerned, which could not be dealt with without the participation of the Persian authorities, these matters progressed, even if slowly. Now every Russian consul agrees almost unanimously that something very like a boycott exists.

"It stands to reason that such a state of affairs cannot continue for long. Russia has enormous commercial interests throughout the whole of Northern Persia, the interests of hundreds and thousands of merchants having constant trading relations with the Persian people. Apart from the financial loss, there is the moral side of the question to be remembered. The dignity of Russia will certainly not permit of a boycott arranged by officials representative of Persian authority, 'chinovniks' and judges. This may give rise to the question of the dignity of a State, and how dangerous are all disputes of such a character is well known.

"The new 'nationalist' Persian Ministry would justify its designation were it to cease the policy of 'pin-pricks' against Russia and to turn to more productive activity. There is sufficient work in Persia for all true patriots, and of course Russia will not interfere with any Cabinet, whatever its appellation, in the matter of the organisation of Persian administration and finance. But it is quite clear that she cannot regard with indifference a systematic violation of her rights. If the Persian Cabinet, in addition to all its internal difficulties, deprives itself of that support which Russia and England have hitherto guaranteed to every inception of reform its position will become very burdensome. It will not be difficult to make Russia an enemy. But to repair relations once spoilt will not be an easy task. If the Persian Cabinet is reckoning on the help of Powers not participants in a Persian agreement the future will assuredly show how distant Persia is from many of her present friends and how close is the Russian frontier. Of course the foregoing must not be interpreted to mean the necessity of an abrupt change in Russia's attitude towards the Tehran authorities. The conscientiousness which the leaders of Russian foreign policy have invariably shown in the practical application of the Anglo-Russian agreement would of itself prevent Russia from having recourse to any compulsory measures. But, as is known, international law has at its disposal a whole series of less severe, but nevertheless very effective, means with which to correct infringements of its rights. Should the Russian Government invite the English, who are equal sufferers from the Persian strike, to adopt one of these measures, it would certainly not meet with a refusal."

I have, &c.

HUGH O'BEIRNE.

[34957]

No. 459.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 383. Confidential.)

(Telegraphic.) R.

Tehran, September 26, 1910.

I REGRET to have to report for some days past there has been serious divergence of views between my Russian colleague and myself as to the present Cabinet.

My colleague desires its downfall, regarding it as incapable of governing and as intolerably intractable.

I admit that it is intractable to both Powers, and that a Cabinet less inconveniently nationalist might be found by us, but, though there is a majority of moderates in the Medjliss, the brains and energy are with the nationalist minority, and the latter would, I believe, always prevent any Cabinet from observing subservient attitude which would make things easy for the two Powers. Russian Minister thinks that if Medjliss were dissolved by some more moderate Cabinet new Parliament might be more reasonable. Unless it were packed at our instigation—which is, of course, out of the question—I see no ground for this hope.

As to the Cabinet's merits, I admit it has little authority in the country, but no Cabinet could be otherwise than feeble in its deplorable financial straits and with its authority unpaired by the presence of Russian troops within 100 miles of the capital, and the present Cabinet has at least the backing of Sardar Assad and his tribe in Tehran.

At best, Persia's chances of recovery except under some form of tutelage from existing chaos are slender, but I believe that the present Cabinet, if it obtains money and if it is left to itself, so far as is compatible with the maintenance of political interests of the two Powers, offers a better chance than another.

[34959]

No. 460.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 384. Very Confidential.)

(Telegraphic.) P.

Gulahak, September 26, 1910.

RUSSO-PERSIAN relations.

In continuation of my telegram No. 383 of to-day's date, I have the honour to state that if the mere change of Ministry appeared to me likely to relieve the Russo-

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Persian tension I would gladly see its downfall, as I gather from M. Poklewski's language that the idea of intervention is gaining ground in Russia, and although I presume that His Majesty's Government could dissuade Russia from such a step on any but grounds in which we concurred, I must point out that Russia could at any moment create a situation which would, in the eyes of the world, be sufficient ground for intervention, by permitting intrigues among her influential protégés in this country. Incidentally, it may be noticed that the Sipahdar is generally supposed to be instigating the revolt of Amir Mukarram and the attitude of Soulet-ed-Dowleh.

I have deemed it expedient to call attention to this danger so that His Majesty's Government, before deciding how far they can meet the views of the Russian Government, may fully understand the situation.

[34960]

No. 461.

Sir G. Barclay to Sir Edward Grey.—(Received September 26).

(No. 385.)

(Telegraphic.) P.

Gulahek, September 26, 1910.

RUSSO-PERSIAN relations.

M. Poklewski spoke to-day with some bitterness on the subject of our desire to come to the assistance of Persian Government with financial aid which, he said, would go to the support of a Cabinet which was hostile to Russian interests.

These remarks were made with reference to the proposed loan by the oil company, a matter which until to-day I had believed him to view favourably.

[34961]

No. 462.

Sir G. Barclay to Sir Edward Grey.—(Received September 26).

(No. 386.)

(Telegraphic.) P.

Gulahek, September 26, 1910.

RATIFICATION of Arabistan Convention.

I have the honour to report that the officiating director of the Indo-European Telegraph Department has made every endeavour to persuade the Minister of Telegraphs to place the convention before the Medjliss. Assadulla Mirza, however, continues to procrastinate in spite of frequent promises to do so.

Officiating director informs me that the settlement of the departmental annual account with the Persian Government is now overdue, and Minister of Telegraphs is pressing for its payment. In these circumstances I would propose to authorise Mr. Kingwood to hold up payment until the convention has been passed. Such a step, however, is somewhat arbitrary, and you may not share my view in thinking that it is warranted by the delay in ratifying a convention which was made subject to ratification of the Medjliss.

Pending the receipt of instructions, I therefore withhold action.

[34963]

No. 463.

Mr. O'Brien to Sir Edward Grey.—(Received September 26.)

(No. 267.)

(Telegraphic.) P.

St. Petersburg, September 26, 1910.

PROPOSED loan by Imperial Bank of Persia.

I to-day made to M. Sazonow a communication in the sense of the instructions contained in your telegram No. 595 of the 24th September. His Excellency said that the Minister of Finance had not yet given him his reply, but he promised to take steps immediately to obtain an answer from M. Kokovtsoff at an early date.

M. Poklewsky, he said, had expressed the opinion that the conversion of the debts due to the Russian Bank would be prejudiced by the conclusion of a loan by the Imperial Bank. I pointed out to M. Sazonow that the arrangement whereby the conversion of the Russian Bank's debts was to precede the conclusion of loans was made to protect the interests of the two banks, and applied to proposed loans by outside firms and not to loans by the banks themselves.

[35028]

No. 464.

India Office to Foreign Office.—(Received September 27.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 22nd September, and from the Viceroy, dated the 26th September, relative to K.C.I.E. for the Sheikh of Mohammerah.

India Office, September 24, 1910.

Enclosure 1 in No. 464.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, September 22, 1910.

MOHAMMERAH. A set of K.C.I.E. insignia should be sent by you to the Resident, Persian Gulf, who on receiving instructions from Tehran will deliver it to the Sheikh if the grant is approved. Please let me know when the insignia will be received.

Enclosure 2 in No. 464.

Government of India to Viscount Morley.

(Telegraphic.) P.

September 26, 1910.

MOHAMMERAH. K.C.I.E. for sheikh. With reference to your telegram of the 22nd instant, a set of insignia, which the Resident, Persian Gulf, should receive by the 3rd or 4th proximo, has been sent off to-day.

[35033]

No. 465.

India Office to Foreign Office.—(Received September 27.)

Sir,

India Office, September 26, 1910.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 14th September, 1910, regarding the assurances to be given to the Sheikh of Mohammerah.

Viscount Morley accepts the view of Secretary Sir E. Grey, that it will be better to avoid for the present a naval demonstration at the head of the Persian Gulf, and to arrange that when His Majesty's consul-general at Bushire proceeds to Mohammerah to give the assurances he should be conveyed thither in a gun-boat.

The King has now been pleased to approve the grant of the distinction of a K.C.I.E., and instructions have been issued to the Government of India to forward a set of insignia to Colonel Cox direct for delivery to the sheikh on instructions from His Majesty's Minister at Tehran.

It would, I am to explain, be in accordance with the usual practice to obtain from the sheikh an undertaking that the insignia should be returned after his own death, but the adoption of such a course would seem inappropriate on this occasion, in view of the nature of the assurances regarding the sheikh's successors, and might give rise to misunderstanding in his own mind. Lord Morley therefore proposes, subject to Sir E. Grey's concurrence, to dispense with this undertaking, and to include the cost of the insignia, estimated at 32*l.* 8*s.* 6*d.*, in the annual adjustment between the two Governments of diplomatic and consular expenditure in Persia.

I am, &c.

COLIN G. CAMPBELL.

[35098]

No. 466.

Mr. O'Beirne to Sir Edward Grey.—(Received September 27.)

(No. 268.)

(Telegraphic.) P.

St. Petersburg, September 27, 1910.

RUSSO-PERSIAN relations.

Telegrams Nos. 383 to 385 of the 26th September from Tehran.

M. Poklewsky's allusions to the growing public feeling in Russia in favour of intervention were doubtless made for the purposes of his argument, for there are no indications here of any such a current of opinion.

At the same time, the reports which the Russian Government have received from Tehran have convinced them that a continuance by the two Powers of their present forbearing attitude towards the Persian Government will not secure any satisfaction from the Ministry now in power in such matters as the conversion of the Russian Bank debt, the employment of foreign assistants, concessions, &c. The Russian Government, therefore, wish to try the effect of administering a serious warning to the Persian Government, and of following it up, if necessary, by some active form of pressure; they consider that if action on these lines results in the present Cabinet's downfall, any combination which may succeed them can only be an improvement. It would of course be somewhat inconsistent with the new policy which the Russian Government wish to adopt to make a money advance to the Persian Government at this juncture, but no decided wish to oppose such an advance has been shown so far by M. Sazonow.

[35099]

No. 467.

Mr. O'Beirne to Sir Edward Grey.—(Received September 27.)

(No. 269.)

(Telegraphic.) P.

St. Petersburg, September 27, 1910.

PROPOSED loan to Persia on security of Crown jewels.

My telegram No. 267 of the 26th September.

I saw M. Sazonow to-day, and his Excellency showed me a telegram from M. Poklewsky, in which the latter expressed the opinion that it was impossible for the Russian Bank, in view of the terms of the Imperial Bank's concession, to maintain its exclusive claim to negotiate advances on State property. M. Poklewsky added, however, that it was desirable that the conclusion of the proposed loan should not take place until the debts due to the Russian Bank had been converted, and M. Sazonow said that this view was shared by the Minister of Finance.

I repeated the argument referred to in my telegram No. 267: that for the reasons therein stated the arrangement with regard to the priority of the conversion of the debts due to the two banks did not apply to the present case. I pointed out also that it was doubtful whether His Majesty's Government, while they were most anxious to do nothing that could be prejudicial to the conversion of the Russian Bank's debts, could prevent the Imperial Bank from concluding a commercial transaction of the nature contemplated. I added that it was obvious that if the Persian Government were willing to pledge the State jewels, which were valued at far more than 100,000l., they would have no difficulty in raising the money in some other quarter.

To this M. Sazonow replied that he must consult the Minister of Finance on the matter, adding that great importance was attached by M. Kokovtsoff to the conversion of the debts due to the Russian Bank. His Excellency observed also that people were saying that the Persian Government were according advantages of different kinds to Great Britain and none to Russia.

A better impression would have been produced if it could have been arranged that Russia should take up a half share of the proposed loan, but he knew that financial assistance from Russia would be refused by the Persian Government.

M. Sazonow said, in conclusion, that he would submit to M. Kokovtsoff the argument that the Persian Government would be able to raise money elsewhere on the Crown jewels, and promised also to enquire as to how the negotiations for the conversion of the debts due to the Russian Bank were progressing.

[35033]

No. 468.

Sir Edward Grey to Sir G. Barclay.

(No. 281.)

(Telegraphic.) R.

Foreign Office, September 27, 1910.

MR. MARLING'S telegram No. 296 of 22nd July.

Insignia of K.C.I.E. for Sheikh of Mohammerah have been forwarded to His Majesty's consul-general at Bushire direct from India, and should reach him about 3rd or 4th October.

As soon as he receives them he should proceed to Mohammerah in a gun-boat and confer them on sheikh, at the same time conveying assurances together with verbal explanation, copy of which was sent to him direct on 26th July.

Usual undertaking that insignia should be returned on death of holder should not be asked for in this case.

Please instruct Colonel Cox accordingly.

[34621]

No. 469.

Sir Edward Grey to Sir G. Barclay.

(No. 162.)

Sir,

Foreign Office, September 27, 1910.

THE Persian Minister called at this Office on the 21st instant and showed to Mr. Mallet a telegram from his Government to the effect that the Acting Russian Minister for Foreign Affairs had warned the Persian Minister at St. Petersburg that the attitude of the Persian Cabinet was hostile to Russia, and that if this attitude was maintained the Russian Government would have to adopt measures to protect their interests.

The Persian Minister for Foreign Affairs wished me to know that the hostility of the Persian Government consisted in not granting concessions for motor traffic on their three principal roads.

Mr. Mallet replied that, according to M. Sazonow's account, the Persian Government had failed to meet Russian views not only in this respect, but in the matters of the attack on M. Passek and the conversion of the Russian debt, and they had completely ignored the advice jointly offered by Great Britain and Russia as to the engagement of foreign assistants in the Persian administration.

Mr. Mallet added that he thought that there must be room for compromise, and hoped that the Persian Government would show a more conciliatory spirit.

I am, &c.

E. GREY.

[34108]

No. 470.

Foreign Office to Messrs. Ziegler and Co.

Gentlemen,

Foreign Office, September 27, 1910.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 19th instant respecting the effect on your trade in Persia of the present disturbed state of that country.

I am to state that the delay in answering your letter of the 16th ultimo was due to the fact that Sir E. Grey understood the expression "the Russian advance in the Azerbaidjan," which is mentioned as having destroyed your export trade to Northern Persia, to refer to the Russian military occupation of Tabreez and Kazvin, which led him to make enquiries by telegraph of His Majesty's Minister at Tehran as to the accuracy of your supposed statement. Sir G. Barclay's reply has now arrived, and fully confirms the explanation furnished in your letter under reply.

As regards the general subject of your earlier letter, I am to inform you that Sir E. Grey recognises the truth of the statements contained in it as to the situation in Southern Persia, and that His Majesty's Government have by no means lost sight of the question.

I am to state, for your confidential information, that the Russian Government have agreed in principle to a proposal put forward by His Majesty's Government that a

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strong joint representation should be made to the Persian Government as to the state of the roads, and are awaiting a report on the subject from their representative at Tehran, while His Majesty's Government have under their consideration a new and more effective scheme for dealing with the situation, and will insist on its application if the Persian Government fail to take steps to restore order within a given time.

I am, &c.

LOUIS MALLET.

[35155]

No. 471.

Messrs. Seligman Brothers to Foreign Office.—(Received September 28.)

Sir, 18, Austin Friars, London, September 26, 1910.
WE have the honour to acknowledge receipt of your letter, dated the 22nd September, 1910, in reply to our letter of the 15th instant.

1. In answer to your question with regard to the security it is proposed to assign for the loan, we would refer you to the previous correspondence, especially to our letter of the 13th May, in which we categorically informed you that the contract would only be entered into if approved by the Foreign Office. At this stage we have not taken up the question of any particular security, which would be largely dependent on the size of the loan. We can only repeat that no security will be considered until after consultation with His Majesty's Minister at Tehran and subject to the approval of your department. We desire to express our regret that our former assurance upon this point appears to have been overlooked.

2. With regard to your second question, *e.g.*, "what proportion of shares would be offered for sale in foreign markets?" it is not contemplated to issue any shares at all. We propose to follow the procedure usually adopted in similar cases, such as the loan we financed for the city of Rio de Janeiro for 2,000,000*l.* last year under the guarantee of the Brazilian Government.

The contract with the Persian Government would be solely in our name, and we should issue the bonds here, and in case we considered the amount offered too large for England to absorb, the remainder would be distributed amongst our correspondents in the countries named, who would either make a public issue or sell them in blocks, whichever they might find the more convenient.

3. We would beg to point out that no power on earth can prevent foreigners obtaining bonds if they wish, as they would buy them in London once an issue is made; in the same way as exchequer bonds of this country are largely held abroad.

No company will be formed to float this loan, the entire control remaining in our hands.

4. If His Majesty's Government would prefer it, we can arrange a loan for about 1,000,000*l.* without the co-operation of our foreign correspondents, but would rather arrange for an issue of 2,000,000*l.* or 2,500,000*l.* with their co-operation, in either case the contract being subject to the approval of His Majesty's Minister at Tehran.

We have reason to believe that our financial assistance to Persia would be favourably received by the Russian Government, and we feel strongly that if any real good is to be rendered to Persia nothing less than 2,000,000*l.* or 2,500,000*l.* will be of permanent service.

We now ask whether, if the following conditions are adhered to, Secretary Sir Edward Grey is prepared to allow us to issue abroad as well as here, and to view the proposed loan favourably.

5. (1.) No foreign correspondents to acquire any control of any kind or to take any official part in the negotiations, their sole interest consisting of a possible purchase from us of the bonds to be offered for sale.

(2.) The contract and securities to be subject to the approval of His Majesty's Minister at Tehran, and mention of this fact to appear in our prospectus.

Awaiting the favour of an early reply, we have, &c.

SELIGMAN BROTHERS.

[35189]

No. 472.

J Sir G. Barclay to Sir Edward Grey.—(Received September 28.)

(No. 387.)

(Telegraphic.) R.

Tehran, September 28, 1910.

MY telegram No. 379 of 24th September: Persian Regency.

Nasr-ul-Mulk has telegraphed to the Medjliss accepting Regency, but I gather from Prime Minister, whom I saw yesterday, that his acceptance was not regarded as altogether final.

[35201]

No. 473.

Mr. O'Beirne to Sir Edward Grey.—(Received September 28.)

(No. 270.)

(Telegraphic.) P.

St. Petersburg, September 28, 1910.

YOUR telegram No. 283 of the 27th September to Tehran.

I spoke to-day to M. Sazonow in the sense of the above telegram.

M. Sazonow said that the instructions which you had sent to Sir G. Barclay were entirely in accordance with his views and expressed his warm thanks for your action. He said that I might inform you that if the two conditions imposed by Russia were accepted by the Persian Government, he would undertake that the Kazvin force should be recalled within the space of twenty-four hours.

M. Sazonow said that he would send to M. Poklewsky instructions similar to those which you had sent to Sir G. Barclay.

[35202]

No. 474.

Mr. O'Beirne to Sir Edward Grey.—(Received September 28.)

(No. 271.)

(Telegraphic.) P.

St. Petersburg, September 28, 1910.

PROPOSED loan on security of Persian Crown jewels.

My telegram No. 269 of the 27th September.

I saw M. Sazonow to-day, and his Excellency informed me that after our yesterday's conversation he had written to M. Kokovtsoff, the Minister of Finance, and recommended that no opposition should be offered by the Russian Government to the conclusion by the Imperial Bank of Persia of the proposed loan. No reply from M. Kokovtsoff had so far reached him.

To my enquiry as to whether it would help matters if His Majesty's Government were to join in pressing the Persian Government to expedite negotiations for the conversion of the debts due to the Russian Bank. M. Sazonow replied that such co-operation on the part of His Majesty's Government would certainly be of use.

[34957]

No. 475.

Sir Edward Grey to Sir G. Barclay.

(No. 283.)

(Telegraphic.) P.

Foreign Office, September 28, 1910.

YOUR telegram No. 383 of the 26th September.

It is absolutely essential, on European and not merely on local grounds, that the solidarity of action of the two Powers in Persia should be maintained, and care should be taken not to allow any divergence of views with your Russian colleague to assume undue proportions. If joint action of the two Powers should lead to resignation of the Cabinet it would be unfortunate, but this consideration should not be allowed to impair the harmony now existing between the two legations.

Could not M. Poklewski be conciliated by your active support on the questions of the motor-car concession on the Tabreez and Enzeli roads, and of the Karadagh mines? The former of these is, in effect, a mere extension in accordance with the advance of science and civilisation of the road concessions already granted to the Russians, and I think your active support might be given on the understanding that

the Kazvin troops, which the Russians promised in the first instance to withdraw as soon as calm was restored, will be withdrawn in the near future, although I admit that the connection between the two questions is not logical.

I consider that His Majesty's Government would be justified in joining the Russian Government in pressing for these concessions, as proof that the Persian Government are not hostile to Russian interests, and that the withdrawal of Kazvin troops could take place without damage to those interests, since the withdrawal is so obviously in the interest of the Persian Government, even if they fail to realise it themselves.

The insecurity of the southern roads, which will necessitate immediate recourse to the road-guards scheme, might be included in the grievances concerning which joint representations could be made.

[34957]

No. 476.

Sir Edouard Grey to Mr. O'Beirne.

(No. 600.)

(Telegraphic.) P.

Foreign Office, September 28, 1910.

ANGLO-RUSSIAN Convention and Persia.

You should speak to M. Sazonow in sense of my telegram No. 283 of to-day to Sir G. Barclay, and state that His Majesty's Government hope that he will instruct M. Poklewski similarly.

[35220]

No. 477.

Sir A. Hardinge to Sir Edward Grey.—(Received September 29.)

(No. 110. Confidential.)

Sir,

Brussels, September 27, 1910.

THE Persian Government has, as you may have already learnt, instructed its Ministers in the various European capitals to do their best to influence the local press against the action of Russia in continuing to maintain Russian garrisons in Tabreez and Kazvin, and in making the grant of certain concessions, unconnected with the professed object of their presence, such as that of a Russian motor-car monopoly on the Resht road, a condition of their withdrawal from Persian territory. My Persian colleague, Mofakham-es-Sultanch, who is himself a Tabreezi and a brother of the Sakat-ul-Islam, the Tabreez Mujtehid, whose house was recently searched for a deserter by Russian Cossacks, spoke to me in this connection with some feeling of the manner in which the Russians were behaving in Northern Persia, and intimated his belief that the recent rising in Mazenderan on behalf of the deposed Shah had been got up by them with the object of finding a pretext for landing Russian troops in that province. He asked me, as a lover of Persia, where I had so many friends, what I thought his countrymen ought to do to get rid of the Russian occupation.

I told him that in my own personal opinion, although I was now too much out of touch with Persian affairs to express any decided view respecting them, one happy result of the Anglo-Russian *entente* was the fact that it would continue to deter the Russian Government from adopting any measure of occupation which could seriously threaten the independence of his country, and that, but for it, a Russian advance on Tehran, which certain elements in Russia would undoubtedly have favoured, might have prevented the successful rising against Mohammed Ali Shah. I thought, however, so far as I could judge, that the attitude for some time past of conspicuous Persian Nationalists and members of the Persian Medjliss, not to speak of the whole tone of the emancipated Persian press, had been of a nature to give just provocation to the Russian Government and to wound or offend Russian feeling. I believed therefore that a conciliatory policy on the part of the Persians towards Russia evidenced by the settlement of Russian claims and by the cessation of violent anti-Russian language in the Parliament and press of Tehran, would do far more good than recriminatory protests or attempts at a newspaper campaign in Belgium or elsewhere in Europe, which he must realise could produce no more practical effect than the recent spoutings here of the Young Egyptian Congress. He agreed—though he has had to try to tune the Belgian press—and added that one of their difficulties with Russia was that their

late Minister at St. Petersburg, his brother Mofakham-ed-Dowleh, had found himself obliged to give up that post for Rome, and that they now only had there a young chargé d'affaires, with whom the Russian Government disdained to discuss Persian affairs.

The occasion of my call, which was one of condolence on the death of the Regent, Azad-ul-Mulk, led him to express the opinion that Nasr-ul-Mulk would be too timid to accept the vacant Regency, and that it would probably devolve on the present Premier, or perhaps on Ain-ed-Dowleh, who was endeavouring to obliterate the remembrance of his reactionary past by lavishing money on the Nationalist members of the Medjliss.

I have, &c.

ARTHUR H. HARDINGE.

[35234]

No. 478.

Treasury to Foreign Office.—(Received September 29.)

Sir,

Treasury Chambers, September 28, 1910.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Mallet's letter of the 5th instant and the enclosed copy of a despatch from His Majesty's chargé d'affaires at Tehran relative to the maintenance of the escort of His Majesty's consulate at Shiraz at its present increased strength.

In reply, I am to say that, as recommended by Secretary Sir E. Grey, my Lords sanction the retention of the additional sowars and the charge of one-half of the expense therein involved on Imperial funds, on condition that the escort is reduced to its normal strength as soon as this step can safely be taken, as to which His Majesty's Minister at Tehran will be instructed to report.

I am, &c.

T. L. HEATH.

[35305]

No. 479.

Sir G. Barclay to Sir Edward Grey.—(Received September 29.)

(No. 389.)

(Telegraphic.) P.

Gulahek, September 29, 1910.

POLICING of southern roads.

Up till now I have thought it advisable to delay our joint representations with respect to the roads in Southern Persia, partly because it seemed to me that the occasion of the Persian Government obtaining money would be a more opportune moment for making them, and partly because I did not wish to embarrass the Government by whom a strong Governor-General of Fars had been appointed.

I see from your telegram No. 283 (of the 28th September) that too much importance must not be attached to the second consideration, and as the insecurity of the Isfahan-Shiraz route is worse than ever and the Governor-General-designate has not yet left Tehran, I think we might now make our representations on the lines suggested in your telegram, appointing three months as the period within which the Persian Government must re-establish security of the roads.

Before taking action, however, I would state that conversation with Russian Minister has led me to understand that a similar demand on the part of Russia for the policing of the northern roads may be called forth by our scheme. Such an eventuality would double the difficulty of obtaining the Persian Government's consent to our proposals, and may render recourse to active measures necessary in order to carry them through.

[35311]

No. 480.

Sir G. Barclay to Sir Edward Grey.—(Received September 29.)

(No. 390.)

(Telegraphic.) P.

Gulahek, September 29, 1910.

HABL-UL-MATIN.

With reference to the Government of India's telegram of the 28th September, I have the honour to state that I see no reason why the editor should not be deported.

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[35202]

No. 481.

Sir Edward Grey to Sir G. Barclay.

(No. 285.)

(Telegraphic.) P.

Foreign Office, September 29, 1910.

YOU may act in accordance with last paragraph of Mr. O'Beirne's telegram No. 271 of yesterday, regarding conversion of Persian Government's debt to Russian Bank.

[34628]

No. 482.

Sir Edward Grey to Sir G. Barclay.

(No. 286.)

(Telegraphic.) P.

Foreign Office, September 29, 1910.

OIL company's loan.

See your telegram No. 380 of the 25th September.

At the present moment it would not be easy for His Majesty's Government to countenance any loan, and I think, in view of the course we have hitherto pursued, and the possibility that a Government loan may be settled in the near future, we could not now withdraw our veto on the employment of the southern customs surplus.

[34932]

No. 483.

Sir Edward Grey to Sir G. Louther.

(No. 295.)

Sir,

Foreign Office, September 29, 1910.

THE Turkish Ambassador called at this Office on the 24th instant to say that he had been instructed to inform His Majesty's Government that his Government had been obliged to send a certain number of troops to places on the Turco-Persian frontier in the neighbourhood of Urumia, as there were considerable excitement and unrest prevailing there. His Excellency added that this step had been taken merely as a matter of police and because the Persian Government were quite unable, chiefly for financial reasons, to do it themselves. The object was merely the protection of Turkish subjects, and it appeared to be admitted, though he did not say as much, that the territory was Persian.

I am, &c.

E. GREY.

[34930]

No. 484.

Sir Edward Grey to Mr. Mitchell Innes.

(No. 291.)

Sir,

Foreign Office, September 29, 1910.

THE American Ambassador called at this Office on the 22nd instant and stated, *inter alia*, that on the 13th instant the Russian Embassy at Washington had communicated to the United States Government an *aide-mémoire* to the effect that the Persian Government proposed to appoint American financial advisers in Persia, and that the Russian Government hoped that the American Government would veto this proposal on the ground that it was far better to appoint such advisers from among the minor European Powers, and to avoid the jealousy that would be caused by the selection of the subjects or citizens of a Great Power.

Mr. Whitelaw Reid was told that this information was hardly up to date, and that quite recently His Majesty's Government had agreed with the Russian Government that, Americans not being subjects of a European Power, their engagement would not be likely to give rise to political difficulties such as would be likely to occur if Europeans, other than subjects of minor Powers, were selected.

I am, &c.

E. GREY.

[35373]

No. 485.

Messrs. Ellinger and Co. to Foreign Office.—(Received September 30.)

Sir,

28, Oxford Street, Manchester, September 29, 1910.

OWING to the time of the year and the absence of the present writer, there has been some unavoidable delay in replying to your letter of the 19th August.

Your letter deals separately with the views of Sir Edward Grey upon the respective claims of Messrs. Andrew Weir and Co. and ourselves, and we will adopt the same order and take his observations point by point, dealing first with the claim of Messrs. Andrew Weir and Co. :—

1. Messrs. Andrew Weir and Co. fully appreciate the fact that, for the purpose of arriving at an exact figure of claim, the amount realised by an actual sale of the oxide would enable one side of the calculation to be fixed more definitely than in any other possible way, but they wish us to point out that anything in the nature of an immediate forced sale of the oxide would, in their view and ours, be very prejudicial to the best interests of the Persian Government or the Muin, as the case may be, because the amount of the claim would thereby be increased; and of Messrs. F. C. Strick and Co., who would be prejudiced by the flooding of the market with oxide at a forced sale price. At the same time Messrs. Andrew Weir and Co. are quite prepared to carry out the wishes of His Majesty's Government in this respect if, after consideration of the circumstances we have pointed out, it is still thought necessary that a sale of the oxide should take place as a preliminary step to fixing the amount of their claim, on the understanding, of course, that the interests of Messrs. Andrew Weir and Co. shall not be prejudiced, and in the meantime no opportunity is being missed of making any possible sale at a reasonable price.

2. Sir Edward Grey's second point relates to the other side of the calculation. Messrs. Andrew Weir and Co. fully appreciate the fact that in order to arrive at a just calculation there must be a fair comparison between the value, whether realised by sale, as suggested by Sir Edward Grey, or not, of the oxide under present circumstances and the sale of the oxide had Messrs. Andrew Weir and Co.'s contract been left undisturbed and worked out in the ordinary and natural course of business. So far as any question of fluctuation of value enters into the latter part of this comparison, it is probably enough for us to say at this moment that there never has been for years past any reduction in the market value of oxide due to trade causes, and, on the contrary, that it has consistently increased in market value.

This can be shown to demonstration before any tribunal or to the satisfaction of any impartial person. We will only add on this point that Messrs. Andrew Weir and Co. are, of course, fully prepared to justify the calculations of value contained in the statement of their claim already before Sir Edward Grey, and we append evidence to this effect (see Enclosures 1 to 19).

3. When Mr. M. Ellinger had the pleasure of discussing matters with Mr. Norman, on the 9th instant, the former suggested that, under the circumstances, it might be advisable that in the meantime a settlement should be pressed for of item 3 of Messrs. Andrew Weir and Co.'s claim and also of our claims, and that settlement of items 1 and 2 of Messrs. Andrew Weir and Co.'s claim should be applied for as soon as the question is definitely settled as to the form the claim should take.

Mr. Norman appeared to think this course quite practicable, and we respectfully ask that it be adopted.

With regard to the observations of Sir Edward Grey upon our own claim, we have to submit the following replies :—

4.—(1.) It is quite true, as stated by Sir Edward Grey, that the documents forwarded by us do not on the face of them establish our right to commission in express terms, but we would point out that we are joined as parties to both the agreements with Messrs. Andrew Weir and Co. in the character of agents of the Muin, and this of itself inferentially justifies a claim of commission, seeing that we could hardly be supposed to take an active part in connection with the sale of the oxide and the representation of the interests of the Muin here without any remuneration. As a matter of fact, however, we are able to say positively that we have since the year 1900, by arrangement between ourselves and Muin, received a commission at the rate of 5 per cent. upon all sales of oxide, the rate having been in previous years 1 per cent., then 2½ per cent., and ultimately 5 per cent., and in each case by express arrangement. We have not preserved the old correspondence, but our ledgers corroborate our statement, and we enclose a copy of a letter received from the Muin, dated the

29th December, 1908 (see Enclosure 20), from which it will be seen that the Muin expressly recognised our right to 5 per cent. commission on oxide. We further enclose copies of letters (see Enclosures 21 to 24) in the years 1907, 1908, 1909, and 1910, in which we advised him that we have charged him 5 per cent. commission on oxide sold under contracts with Messrs. F. C. Strick and Co. and Messrs. Andrew Weir and Co.

We trust that this statement will be accepted as justifying our position so far as the question of the right to commission at the particular rate claimed is concerned.

(2.) Sir Edward Grey suggests that any commission to which we may be entitled should be recovered by us from the Muin. It may be that theoretically we have a right of action against the Muin, but we would point out that our claim to commission stands upon exactly the same principle in this respect as the claim of Messrs. Andrew Weir and Co. Their grievance is that they have sustained a loss because the oxide which they contracted to buy has not been delivered. Our grievance is that we have sustained a loss by not receiving the commission that we should have received if the oxide had been delivered. In both cases alike the non-delivery of the oxide is the root of the claim, and the non-delivery is due to the action of the Persian Government, and we respectfully submit that His Majesty's Government are under obligations to see that we are indemnified, regard being had to all the special circumstances of this matter, which we have already fully laid before Sir Edward Grey. The fact that we are entitled in this respect to the same protection by His Majesty's Government as Messrs. Andrew Weir and Co., was fully recognised in Mr. Langley's letter to us of the 20th July last.

(3.) Sir Edward Grey distinguishes our position with regard to the 31,000 tons referred to in the second item of our claim from the first item of claim which depends upon the contract with Messrs. Andrew Weir and Co.

In the first place, we wish frankly to admit that we cannot, and do not, claim as an actual matter of contract between the Muin and ourselves that we are entitled to a claim of commission, as such, upon this particular quantity of 31,000 tons. Our position broadly is that we have been for many years the accredited agents of the Muin, and had every possible reason to suppose that we should continue to occupy that position, and to occupy it with special relation to the fact that the Muin had a perpetual concession, and a monopoly of Hormuz oxide. In the ordinary course of business further sales of oxide to a very much greater extent than 31,000 tons would have been made by him, through us as his agents, and we should have received a commission accordingly. The assurances of His Majesty's Government and of the Muin-ut-Tujjar that the latter's concession was in perpetuity led us to regard ourselves as interested parties, not only within the limits of the oxide to be delivered under one contract for a short term of years, but induced us to make untiring efforts to complete such arrangements with regard to the future disposal of oxide as would ensure the retention of this business for a long term of years in British hands, and we may venture to say that no one knows better than Sir Edward Grey himself, the immense amount of trouble and attention that we devoted to this subject. It is self-evident that we should not have been satisfied with the remuneration represented by commission upon a contract for the sale of a comparatively small quantity of oxide, if we had not had every reason to believe that the Muin had a perpetual concession. Our claim is really in the nature of compensation for services rendered in our negotiations for the future sale of oxide, and (or for disturbance) also for obvious damage to our commercial credit for having been allowed to offer on the London market a property, the title to which is now suggested to be entirely bad, and to have been upheld by fraudulent means. In assessing this claim at an amount representing the equivalent of commission upon a quantity of oxide that has actually been sold already over and beyond the quantity included in Messrs. Andrew Weir and Co.'s contract, and during the currency of their contract, we submit that we have placed a very moderate assessment upon the compensation, to which, in all justice, we are entitled for having our agency swept away owing to the action of the Persian Government.

If the Persian Government are still delaying preparation of the promised note, we shall be glad to hear that His Majesty's Government will nevertheless now proceed to press energetically for a settlement of our claims and those of Messrs. Andrew Weir and Co.

We are, &c.
ELLINGER AND Co.

Enclosure 1 in No. 485.

Note by Messrs. Ellinger and Co.

PERSIAN GULF red was a monopoly, and the shade obtained from this oxide cannot be produced from any other oxide. The particular shade is required by the trade, and has steadily grown in favour, as is manifested by the growth in consumption.

The following figures are submitted as evidence of the growth in consumption during the period of years in which we sold the oxide to Messrs. F. C. Strick and Co., i.e. :—

From the 1st January, 1902, to the 31st December, 1906, the average consumption was	Tons. 4,676
From the 1st January, 1907, to the 10th April, 1910, the average consumption was	7,446

whereas during the period in which we sold the oxide to Messrs. Weir and Co.—

From the 1st January, 1908, to the 10th April, 1910, the average annual consumption was	Tons. 8,386
(N.B.—The 10th April, 1910, was the date on which the contract was broken by the purchase of 5,000 tons from the Persian Government by Messrs. Strick.)	

It is evident from the above figures that the growth of consumption has been continuous, and still continues.

As evidence of the growth of prices paid to the Muin-ut-Tujjar, the following are the selling prices of successive contracts made by us for him with Messrs. F. C. Strick and Co. :—

Contract for Two Years.		Price was—	
Dated the 21st December, 1901	s. d.	27	6 per ton, f.o.b., Hormuz.
Contract for One Year.			
Dated the 21st December, 1903	32	0	" " "
" 21st December, 1904	35	6	" " "
" 1st December, 1905	42	6	" " "
" 12th November, 1906	42	6	" " "

We have no evidence of the prices obtained by Messrs. F. C. Strick and Co., but we know from what buyers have told us that they have paid steadily increasing prices.

The following is submitted as evidence that it was reasonable to expect a growth in price payable to Messrs. Andrew Weir and Co. : On the 10th April, 1910, the stock was 6,835 tons, and there remained still to be shipped 5,218 tons before expiration of the contract on the 31st March, 1912, which would have given a supply of 12,053 tons, whilst the probable consumption, on the above-mentioned annual average of 8,386 tons, would equal 16,422 tons, an excess of demand over supply to the amount of 4,369 tons.

It was apparent that there would have been a scarcity of oxide towards the conclusion of the contract, and that this would have enabled Messrs. Andrew Weir and Co. to command higher prices for their product. In formulating Messrs. Andrew Weir and Co.'s claim under item 3, the actual prevailing selling prices have been taken, with the exception of those obtained from the Golden Valley Ochre and Oxide Company and Messrs. C. K. Williams and Co., Easton. These two firms, which had been specially favoured as regards prices by Messrs. F. C. Strick and Co., were obtaining the product at prices considerably below those paid by their competitors, and, with a view to the fact that it would be impossible to supply the whole market with its requirements for the complete period of the contract, it had already been decided to advance the prices required from these two firms, so as to reduce the advantage that they were obtaining over their competitors, an increase in price having already been obtained from the other consumers in this country. The Golden Valley had already been advised that a higher price would be required for future business, and we enclose copies of the letters, dated the 25th November, 1909 and the 23rd March, 1910 (see Enclosures 2 and 3).

We had satisfied ourselves that Messrs. C. K. Williams and Co. were selling the
[1738] 4 S

oxide in the United States to consumers, whom we visited there, at 22 dollars per ton, equal to 91s. 8d. per ton, and had they not been willing to pay us the required advance we had made arrangements to sell direct to consumers. Had Messrs. Andrew Weir and Co. been left in uninterrupted control of the business for the remaining period of the contract, sales would have been effected to the Golden Valley Ochre and Oxide Company and C. K. Williams and Co. at the rate of 70s. per ton, f.o.r.

We attach particulars (see Enclosure 4) showing you how the average selling price of 73s. 8d. per ton is arrived at, and further a sheet (see Enclosure 14) showing how the cost, f.o.r., of 60s. 11d. per ton is obtained.

Enclosure 2 in No. 485.

Messrs. Ellinger and Co. to the Golden Valley Ochre and Oxide Company.

Dear Sirs, 28, Oxford Street, Manchester, November 25, 1909.
FURTHER to our letter of the 18th November, we have been going into our stock of Ormuz red at Avonmouth dock and find that, after satisfying our present contracts, we shall have 500 tons ex. steam-ship "Auchendale" available, and this quantity we shall be pleased to offer you at the same price as your current contract, delivery to follow immediately on the same, not less than 125 tons per month. After this quantity is exhausted, as already mentioned, the price, we regret, must be 70s. per ton.

We are, &c.
ELLINGER AND CO.

[Enclosure 3 in No. 485.]

Messrs. Ellinger and Co. to the Golden Valley Ochre and Oxide Company.

Dear Sirs, 28, Oxford Street, Manchester, March 23, 1910.
WE thank you for your favour of yesterday and note contents. We expect a cargo at Avonmouth per steam-ship "Cliftonian" next month and should be very pleased to deliver you 300 tons ex. this steamer at 70s. per ton, f.o.b., less 1s. 3d. per ton, saving effected on taking in and out of warehouses expenses. Terms, net cash in thirty days.

We shall be glad to know that this will be agreeable to you, in which case we will send you our contract note.

We are, &c.
ELLINGER AND CO.

Enclosure 4 in No. 485.

SHEET 1.—Evidence of Average Selling Prices.

	Stock in Tons.	Proportion of Stock in Tons.	Would have been taken by—	Copy of Specimen Invoice showing Selling Price attached and marked.	Price f.o.r.	Amount.
English and American sales ex. "Avonmouth." Stock of	4,095	3,112	Golden Valley Ochre and Oxide Com- pany, Wick	Enclosure 5 ..	s. d.	£ s. d.
		690	C. K. Williams and and Co., Easton	" 6 ..	70 0	10,892 0 0
			Via Cellia Colour Company, Mat- lock, Bath	" 7 ..	72 6	2,501 5 0
		293	Leach, Neal, and Co., Derby	" 8 ..	77 6	1,135 7 0
			Pegg and Ellam Jones, Derby	" 9 ..		
German sales ex. "Nordenham." Stock of	2,483	1,000	John Birch and Son, Cheddle	" 10 ..	75 0	13,750 0 0
		788	A. G. Egestorff, Salzwerke	" 11 ..	80 0	3,014 2 0
			Holzappel's (Ltd.) Less freight ..	" 12 ..	3 8	
		700	Bruno Lampel, Cologne, and others	" 13 ..	76 4	2,975 0 0
				85 0		
6,583 at an average price of					73 8	24,267 14 6

Enclosure 5 in No. 485.

[Copy.]

Messrs. The Golden Valley Ochre and Oxide Company, Limited, Wick, near Bristol.

Dr. to Ellinger and Co.—

For the following goods sold to you and forwarded for your account and risk to

For shipment to

0/58.

Tons 104; 6:1:0 usual quality Persian Gulf Hormuz red oxide of iron, at 67s. 6d. per ton... 352 1 1

F.O.B. Avonmouth Dock.

					Tons	cwts.	qrs.	lbs.
April 21	..	..	..	..	10	3	2	0
" 22	..	..	..	..	10	7	2	0
" 29	..	..	..	..	10	4	1	0
" 30	..	..	..	..	10	8	3	0
May 2	..	..	..	..	10	12	0	0
" 3	..	..	..	..	9	15	3	0
" 4	..	..	..	..	10	14	0	0
" 5	..	..	..	..	10	7	0	0
" 6	..	..	..	..	11	5	2	0
" 9	..	..	..	..	10	8	0	0
					104	6	1	0

As per Bristol Docks Committee advice notes attached.

Net cash in 30 days 352 1 1
(E. & O. E.)

Enclosure 6 in No. 485.

[Copy.]

Messrs. C. K. Williams and Co., Easton, Pa.

Dr. to Ellinger and Co.—

For the following goods sold to you and forwarded for your account and risk to
Bristol.

For shipment to Philadelphia per steam-ship "Gloriana."

0/28.

1,500 tons, of 20 cwts., iron ore, at 66s. 6d. per ton	..	..	£	s.	d.
			4,987	10	0

F.O.B. and marine insurance.

Net cash against shipping documents	..	..	..	..	£	s.	d.
					4,987	10	0

(E. & O. E.)

Enclosure 7 in No. 485.

[Copy.]

Messrs. via Collia Colour Company, Matlock Bath.

Dr. to Ellinger and Co.—

For the following goods sold to you and forwarded for your account and risk
to

For shipment to

0/46.

Tons 87 : 5 : 0 : 0 usual quality Persian Gulf Hormuz red oxide of iron, at 72s. 6d. per ton	..	..	..	..	£	s.	d.
					316	5	7

F.O.R. London.

Net cash against delivery order	..	..	..	..	..	£	s.	d.
						316	5	7

(E. & O. E.)

Enclosure 8 in No. 485.

[Copy.]

Messrs. Leech Neal and Co., Limited, Derby.

Dr. to Ellinger and Co.—

For the following goods sold to you and forwarded for your account and risk
to

For shipment to

0/56.

19 tons usual quality Persian Gulf Hormuz red oxide of iron, at 77s. 6d. per ton in bulk	..	..	..	..	..	£	s.	d.
						73	12	6

F.O.R. Avonmouth Dock.

Net cash against delivery order	..	..	..	..	..	£	s.	d.
						73	12	6

(E. & O. E.)

Enclosure 9 in No. 485.

[Copy.]

Messrs. Pegg and Ellam Jones, Limited, Derby.

Dr. to Ellinger and Co.—

For the following goods sold to you and forwarded for your account and risk
to

For shipment to

0/55.

One truck containing tons 8 : 5 : 2 : 0 usual quality Persian Gulf Hormuz red oxide of iron, at 77s. 6d. per ton in bulk	..	..	..	£	s.	d.
				32	1	4

0/1235.

F.O.R. Avonmouth Dock.

Net cash against delivery order	..	..	..	..	..	£	s.	d.
						32	1	4

(E. & O. E.)

Enclosure 10 in No. 485

[Copy.]

Messrs. John Birch and Son,
Proghall Mills, Cheadle, Staffs.

Dr. to Ellinger and Co.,

For the following goods sold to you and forwarded for your account and risk
to

For shipment to

0/59.

One truck containing tons 6 : 0 : 2 : 0 usual quality Persian Gulf Hormuz red oxide of iron, at 77s. 6d. per ton in bulk	..	..	..	£	s.	d.
				23	6	11

0/389.

F.O.R. Avonmouth Dock.

Net cash against delivery order	..	..	..	..	..	£	s.	d.
						23	6	11

(E. & O. E.)

Enclosure 11 in No. 485.

[Copy.]

Messrs. Actien-Gesellschaft Georg Egesterff's,
Salzwerke, Hannover.

Dr. to Ellinger and Co.,

For the following goods sold to you and forwarded for your account and risk
to

For shipment to Nordenham per steam-ship "Cliftonian."

0/53.

1,000 tons usual quality Persian Gulf Hormuz red oxide of iron, at 75s. per ton in bulk	..	..	..	£	s.	d.
				3,750	0	0

Cost of weighing 1,000 tons, 1,016,048 kilog. at 13 pf. per 1,000 kilog., 132.09 marks, at exchange 20.45 to 1l.	..	..	..	£	s.	d.
				6	9	2

3,756 9 2

C.I.F. Nordenham.

Net cash against shipping documents. Payment on arrival of steamer.

(E. & O. E.)

Enclosure 12 in No. 485.

[Copy.]

Messrs. Holzapfel's, Limited,
Newcastle-on-Tyne.

Dr. to Ellinger and Co.,
For the following goods sold to you and forwarded for your account and risk
to
For shipment to

0/47. £ s. d.
Tons 266 : 12 : 1 : 17 usual quality Persian Gulf Hormuz red oxide of
iron, at 80s. per ton in bulk 1,066 2 7

0/3144.
Less freight on tons 266 : 12 : 1 : 17, at 3s. 9d. per ton, less 2½ per cent. 48 14 10
Shipped per steam-ship "Wilhelm," Nordenham to Newcastle.
Net cash against shipping documents.
Cost and freight Newcastle 1,017 14 9

(E. & O. E.)

Enclosure 13 in No. 485.

[Copy.]

Messrs. Bruno Lampel,
Cologne, Ehrenfeld.

Dr. to Ellinger and Co.,
For the following goods sold to you and forwarded for your account and risk
to
For shipment to

0/46. £ s. d.
50½ tons (50,800 kilog.) usual quality Persian Gulf Hormuz red oxide
of iron, at 85s. per ton in bulk 212 10 0

F.O.R. Nordenham.

Cost of weighing 50,800 kilog. at 13 pf. per 1,000 kilog., 6,604 marks
(exchange at 20·45 to 17.) 0 6 6
Net cash against delivery order 212 16 0

(E. & O. E.)

Enclosure 14 in No. 485.

EVIDENCE of Cost Price.

	s.	d.
Cost of oxide, f.o.b. Hormuz	42	6 per ton.
(As per contract dated the 4th December, 1908, between Main-ul-Tajjar, Andrew Weir and Co., and Ellinger and Co., of which you have had inspection.)		
Freight	15	3 "
(See Enclosures 15 and 16.)		
Insurance	0	4 "
(See Enclosure 17.)		
Landing charges, storing, and redelivering on rail, including weighing in and out, also dock dues	2	10 "
Total cost	60	11 "

Enclosure 15 in No. 485.

[Copy.]

Bristol, February 21, 1910.

Messrs. Bristol Docks Committee, in account with Hartley, Hodder, and Son,
per steam-ship "Haddon Hall."

	£	s.	d.
To freight on iron ore, tons 820 : 8 : 3, at 15s. 3d. per ton ..	625	11	8
Less freight received "on account"	550	0	0
	75	11	8

Enclosure 16 in No. 485.

[Copy.]

Mr. Harvey to Messrs. Ellinger and Co.

Bristol, February 21, 1910.

Dear Sir,
"HADDON HALL." I have pleasure in enclosing you cheque for 2l. 14s. 4d.,
balance of your cheque 652l. 9s. 2d. forwarded the 8th February last.
Kindly acknowledge receipt.

Yours faithfully,
(p.p. A. Harvey),
S. G. E.

	£	s.	d.
Receipts herewith	625	11	8
Receipt for dues and entry, already forwarded	24	3	2
Cheque herewith	2	14	4
	652	9	2

Enclosure 17 in No. 485.

[Copy.]

China Traders' Insurance Company to Messrs. Ellinger and Co.

Manchester, November 26, 1909.

THIS company provisionally insures on your account :—

Vessel : Steam-ship "Haddon Hall," and/or steamer or steamers.

Voyage : Hormuz to Nordenham, and/or London, and/or Avonmouth, excluding
risk of craft at port of loading.

Warranted free of particular average.

Interest : Red ore in bulk.

Amount : 1,750l. at 10/- per cent., being 500 tons at 3l. 10s. per ton.

On receipt of the necessary particulars a stamped policy will be issued.

p.p. Hugh Fleming.

A. WILLIAMS, Agent.

Enclosure 18 in No. 485.

[Copy.]

Bristol Docks Committee to Messrs. Ellinger and Co.

Avonmouth Dock, February 28, 1910.

Dr. to the Bristol Docks Committee—

February 1910.—Ex. steam-ship "Haddon Hall" 253 : Iron ore.

To landing, storing, and redelivering, including weighing in and out, 820 tons
8 cwt. 3 qrs., at 2s. 3d. per ton, 92l. 6s.

Enclosure 19 in No. 485.

[Copy.]

BRISTOL DOCKS.

ACCOUNT of dock dues payable in respect of the undermentioned goods:—

Ex. "Haddon Hall" at Hormuz. February 8, 1910, in Avonmouth Dock.

Note.—Dues on goods are payable before customs entry, and can in no case be carried to ledger account.

Value for customs entry—

	£	s.	d.
824 tons red earth, at 7d. per ton	24	0	8
Fee for passing entry	0	2	6
	24	3	2

24l. 3s. 2d. : Received and signed by—
p.p. Wm. Reed.

J. A. ROSE.

February 9, 1910.

Enclosure 20 in No. 485.

*Extract from Letter received from the Muin-at-Tujjar, dated Tehran,
December 29, 1908.*

AS regards the sale of sulphur, I wish to point out that the commission for this article must not be the same as for oxide, viz., 5 per cent. You know yourselves what expenses I have been put to now, and what I gain by it. So please note that with the exception of the oxide all other business should be done with a commission of 2 per cent. for you.

Enclosure 21 in No. 485.

[Copy.]

Messrs. Ellinger and Co. to the Muin-at-Tujjar.

Dear Sir, 28, Oxford Street, Manchester, December 28, 1907.
WE beg to advise having to-day received from Messrs. Frank C. Strick and Co. (Limited), London, the last payment against the oxide contract of 1906-7, on account of 917 tons oxide which should have been taken delivery of by them on the 21st December, 1907, the amount of 1,952l. 7s. 3d., inclusive of seven days' interest at 10 per cent. per annum, which amount we pass to the credit of your account, i.e., our commission on this is 97l. 12s. 4d., and is placed to your debit.

We are, &c.

ELLINGER AND CO.

Enclosure 22 in No. 485.

[Copy.]

Messrs. Ellinger and Co. to the Muin-at-Tujjar.

Dear Sir, 28, Oxford Street, Manchester, August 1, 1908.
WE beg to advise that we have received from Messrs. F. C. Strick and Co. (Limited), London, a cheque for 756l. 4s. 7d., covering cost of 358½ tons of oxide taken by them in excess of the last contract for 8,000 tons, after having deducted the one-half cost of weighing oxide ex "Arabistan."

We place this amount to the credit of your account whilst we debit you with our commission on same, i.e., 38l. 1s. 9d.

We are, &c.

ELLINGER AND CO.

Enclosure 23 in No. 485.

[Copy.]

Messrs. Ellinger and Co. to the Muin-at-Tujjar.

Dear Sir, 28, Oxford Street, Manchester, August 20, 1909.
WE beg to advise having received the sum of 1,094l. 15s. 6d., covering 324 tons 7 cwt. 2 qrs. 7 lbs., ex 500 ton contract, which amount we have passed to your credit in account, whilst we debit you with our commission on same, viz., 54l. 14s. 9d.

We are, &c.

ELLINGER AND CO.

Enclosure 24 in No. 485.

[Copy.]

Messrs. Ellinger and Co. to the Muin-at-Tujjar.

Dear Sir, 28, Oxford Street, Manchester, June 4, 1910.
WE beg to advise having received from Messrs. Andrew Weir and Co., on account of 38 tons 6 cwt., oxide, steam-ship "Cliftonian," which have been taken up against delivery of 2,500 tons due the 1st April, 1911, an amount of 100l. 5s. 5d., after allowing rebate of interest from the 22nd April, 1910, to the afore-mentioned date, at the rate of 10 per cent. per annum, payable before due date. This amount we have passed to the credit of your account under value date, 22nd April, whilst we debit you with our commission on same, viz., 5l. 0s. 2d. The above-mentioned weight of 38 tons 6 cwt. together with 4,980 tons, as stated in our letter to you of the 10th March, 1910, makes a total outturn ex steam-ship "Cliftonian" of 5,018 tons 6 cwt.

We are, &c.

ELLINGER AND CO.

[35412]

No. 486.

India Office to Foreign Office.—(Received September 30.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 28th September, relative to escort for telegraph officers while on tour in Persia.

India Office, September 30, 1910.

Enclosure in No. 486.

Government of India to Viscount Morley.

(Telegraphic.) P.

September 28, 1910.

PLEASE see your telegram dated the 22nd September, 1909.
It is proposed by the director of Persian Gulf Telegraphs that telegraph officers while on tour this year should again have an escort. This it is impossible to supply

[1738]

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from the Mekran levies, while any reduction of the garrisons at Chahbar and Jask is opposed by the naval commander-in-chief. The dispatch of an escort for the telegraph officers of fifty regulars under an Indian officer has been authorised. The possibility of retaliatory measures on the part of the gun-runners has made a larger force necessary this year.

(Repeated to resident, Persian Gulf.)

[35318] No. 487.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 391.)

(Telegraphic.) R.

Tehran, September 30, 1910.

PERSIAN Government have recently deputed Vekil-el-Roya to negotiate conversion of Persian Government's debts to Russian Bank with Russian Legation, and the negotiations are proceeding satisfactorily.

[35319] No. 488.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 392.)

(Telegraphic.) P.

Gulahek, September 30, 1910.

ENGAGEMENT of foreign assistants.

With reference to your telegram No. 274 of the 20th September, I have the honour to report that Russian Minister and I made the verbal communication, as instructed, the day before yesterday.

Hussein Kuli Khan showed some annoyance at our representations, but we returned with the impression that our warning would be taken to heart by Persian Government.

[35432] No. 489.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 393.)

(Telegraphic.) R.

Tehran, September 30, 1910.

MY telegram No. [F] 381 of 25th September.

Russian Minister tells me that Shahsevans now have complete control of the neighbourhood of Ardebil.

They are also reported to be looting near Tabreez.

(Sent to St. Petersburg.)

[35433] No. 490.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 394.)

(Telegraphic.) P.

Gulahek, September 30, 1910.

PROPOSED loan to Persian Government on security of Crown jewels.

With reference to St. Petersburg telegram No. 271 of the 28th September, I am informed by manager of Imperial Bank of Persia, Tehran, that, under instructions from his principals in London, he has refused the Persian Government's proposal for the loan of 100,000l. on the security of the Crown jewels.

I have on repeated occasions pressed the Persian Government to expedite the negotiations for the consolidation of the outstanding loans of the Russian Bank.

[35434]

No. 491.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 395.)

(Telegraphic.) P.

Gulahek, September 30, 1910.

OIL company's proposed loan to Persian Government.

With reference to your telegram No. 286 of the 29th September I have the honour to report that the terms offered by the Persian Government for the loan of 500,000l. have been refused by the oil company group, who are now offering 100,000l. only secured on the oil shares held by Persian Government.

My Russian colleague will not raise any objection to this small loan on condition that the consolidation of the Russian Bank's loans is first completed.

[35099]

No. 492.

Sir Edward Grey to Mr. O'Beirne.

(No. 604.)

(Telegraphic.) P.

Foreign Office, September 30, 1910.

THE following has been repeated to Tehran, No. 287 :—

" Your telegram No. 269 of the 28th September.

" Though anxious to obtain better security for advances to private individuals, as opposed to those to the Government, the Imperial Bank does not wish to press the arrangements proposed by the Persian Government. The bank manager has been accordingly instructed.

" His Majesty's Government trust that in the future, when the conversion of the Russian debts is completed, the Russian Government will refrain from opposing any loan from British sources, seeing that His Majesty's Government find it difficult to explain to various applicants that Russian opposition is the ground for their not favouring their applications.

" It would be easy to refute the statement that Great Britain receives all the benefits accruing from the relations of the two Powers with the Persian Government and Russia none. Our position in the Gulf will suffer a serious set-back, and our trade is fast vanishing. In the event of this condition of affairs continuing, a third Power alone can profit, seeing that, if trade conditions again become normal, it would at once start on an equality of competition with ourselves."